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LEGISLATIVE ASSEMBLY.

Thursday, 1st March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTION AND ANSWER.

PUBLICITY BUREAU.

141. ***Mr. K. G. Bagde:** Will the Government be pleased to state:

- (a) Whether the present Director and Assistant Director of the Publicity Bureau were in employment of the Government of India or any Provincial Government before, and if so, in what capacity, and what were their salaries?
- (b) What is the cost of the establishment of the Publicity Bureau?
- (c) What is the amount spent annually on publications including postage and other charges?
- (d) Have the Government any intention of continuing the establishment beyond May, 1923, and if so, whether any proposal for extension has been placed before the Standing Finance Committee? and
- (e) Will an inquiry be instituted into the working of the Department before a further step is taken to extend its life?

The Honourable Sir Malcolm Halley: (a) The Director and Assistant Director of the Central Bureau of Information were not in Government service when they were appointed to their present posts under the Government of India.

(b) The Honourable Member is referred to page 38 of the "Detailed Estimates and Demands for Grants for 1922-23."

(c) The charges of printing, publication, postage and distribution of the publications of the Central Bureau of Information fall, like those for the publications of other offices, upon the Superintendent, Government Printing, India. They are not a part of the expenditure of the Bureau, nor is the Bureau credited with the proceeds of the sale of its publications.

(d) The matter is under the consideration of the Government of India.

(e) This is unnecessary as there is already an Advisory Publicity Committee comprising among its number members of the Legislature.

BUDGET FOR 1923-24.

INTRODUCTORY.

The Honourable Sir Basil Blackett (Finance Member): Mr. President, in rising to-day to present the budget statement for 1923-24, I claim, and I know I shall receive, the privileges of a new-comer and a new Member. It is a great privilege for me thus to be able to fulfil an old dream of returning to the land of my birth to serve India as so many of my ancestors have done. But two months is a very insufficient time for the task of preparing to present a budget to this House. I am, however, in many ways fortunate. First and foremost, I have the devoted services of the Finance Department under the Honourable Mr. Cook. Without their help there would have been no budget. I am the inheritor of the fruits of three years of hard labour of my friend Sir Malcolm Hailey. If there is a gleam of light in the budget which I am about to present, it is his doing. The fruit is the fruit of seed which he had sown, and I am reaping where he has ploughed. I am afraid that he had to put up with much inclement weather, with storms and rumours of storms, but if there is promise of harvest to-day, the credit is to him. For nothing perhaps am I more indebted to him than for his share in the credit of securing the appointment of the strong and able Retrenchment Committee, which has been so well presided over by Lord Inchcape. Possibly the most interesting part of the papers which I am laying on the table to-day and in the next few days in connection with the budget will be the report of the Inchcape Committee. Lord Inchcape shocked my modesty a few days ago by describing himself as my forerunner. He and his colleagues can perhaps be more aptly compared to the burly forwards in the American game of football on whom falls the duty of charging ahead of the man with the ball and beating down, with all permissible violence, any opponent who threatens to check his progress. Whatever views individual Members may take of this or that recommendation for retrenchment made by the Committee,—and I never heard any recommendation for retrenchment anywhere, except the stopping of the salary of the Finance Member, which was really popular,—I know the whole House will be unanimous in joining with me in expressing our heartfelt gratitude to the Committee for their devoted work, and, as I think I may promise, for their remarkable success in what is the most ungrateful of all ungrateful tasks.

2. Mr. President, my first duty to-day is to lay before this House the figures of the outturn, or rather the probable outturn, of the year 1922-23. Since I came to India, I have much envied the position of the British Chancellor of the Exchequer who, in presenting his budget, is always able to give accurate figures for the year which, under the British system, has just closed and not, as under the Indian system, is about to close. He is not confronted, as I am, with the necessity of making what is after all only a second guess on the basis of the first nine or ten months' experience of what the real figures are for the year preceding the year to which the budget which he is presenting relates. When I have laid before the House the figures for 1922-23, I hope to make a short review of the general financial position of India at the close of 1922-23, that is, the position as it presented itself to a new-comer as I am. It will then be my task to proceed with my proper function to-day—the presentation of the budget for 1923-24.

II.—REVIEW OF THE YEAR 1922-23.

8. The budget estimates of the current year as finally passed provided for a deficit of 9.16 crores, the estimated revenue *Deficit as now estimated.* (including new taxation and increased postage and railway rates expected to yield 18½ crores), being 133.23 crores, and the expenditure 142.39 crores. There is a saving of 4.14 crores on expenditure, but revenue will be 12.48 crores less than the estimate, so that as now revised the estimates point to a deficit this year of 17½ crores.

Revenue.

4. Our revenue estimates were not based on a hope of any marked or striking revival in trade, although we certainly *Trade conditions.* expected some slight improvement on the general trade conditions of the previous year. On the whole, this anticipation has been justified. There was considerable stagnation during the earlier part of the summer, but, except perhaps in the cotton mill industry in Bombay, the general feeling prevailing in the business community has for some months been one of mild optimism. Considering the impoverishment of many of our former customers, our exports have undoubtedly shown a promising recovery, and, so far as merchandise alone is concerned, the balance of trade in favour of India during the first ten months of the financial year has been 62 crores which contrasts with an adverse balance of 29½ crores in the corresponding ten months of the preceding year. As against this, there has been a substantial net import of bullion in the current year, but after including the bullion figures there still remains a net balance of 20 crores in favour of India instead of an adverse balance of 33 crores in the first ten months of last year.

5. Under Customs we budgeted for a total net revenue of 45½ crores, of which 9 crores was expected to accrue from the enhancement of duties imposed in the Finance Act of March last. We now expect a Customs revenue which will be some 3 crores short of the figure budgeted for. The most uncertain, and at the same time one of the most important factors affecting our revenue is the import of sugar, which in the previous year had yielded us the unprecedentedly large figure of 6½ crores at the old rate of duty of 15 per cent. For the current year we did not anticipate the continuance of such abnormally large imports, but expected, on the increased duty of 25 per cent., to realise about 6½ crores. The figures of imports vary in a very erratic way from month to month which makes estimating difficult; recently, owing to a large drop in prices, imports were held up in order to get the benefit of the revised tariff valuation which came into force from the 1st January. We expect, therefore, large imports in the last 3 months of the year though the effect of this will be counterbalanced by the duty being calculated on a lower valuation. On the whole, we expect that the revenue from sugar will be less by 1½ crores than the budget figure. The excise duty on cotton manufactures will also bring us in substantially less than we expected; owing to the high price of cotton and a fall in the price of cotton cloth in the internal markets, there has recently been a reduced output from the mills, and we expect to be about 60 lakhs down under this head. As regards the other tariff heads, it is probable that there will be some deficiency in the revenue from liquors,

[Sir Basil Blackett.]

matches, machinery, cutlery and other manufactured articles, but any losses here should be nearly counterbalanced by increased revenue from import duties on cotton piece-goods (which may give us 96 lakhs more than our estimated revenue of 5,60 lakhs), iron and steel and other metals, while the new excise duty on kerosene is likely to bring us in 89 lakhs as against 40 lakhs budgeted for.

6. Before leaving the subject of Customs, I must refer briefly to a matter which has attracted some public attention during the year, namely, our revenue from the so-called "luxury" articles, which are assessed to duty at 30 per cent. Honourable Members will have seen from time to time various articles in the press, the object of which was to show that this high rate of duty has very seriously affected the trades concerned, and it was implied, if it was not asserted, that a lower rate of duty would have brought in more revenue. These contentions are scarcely borne out by the facts. In the current year we budgeted for a return of 2,84 lakhs from the 30 per cent. duty; we actually expect to receive only 11 lakhs less in spite of a considerable fall in prices. The principal articles included in the 30 per cent. schedule are motor cars, silk manufactures, glass bangles and beads, and tyres and tubes. Except in the case of silk manufactures, the quantities imported during the first nine months of the current year have been in excess of those imported in the corresponding period of the preceding year. Nearly twice as many motor cars have been imported; and if the value of the cars imported has fallen considerably, this is due partly to the general fall in world prices and partly to the fact that people have been importing the cheaper American car in preference to the more expensive English car. I doubt very much if the duty has had much to do with this substitution. The conclusion is that there is certainly no case at present for any alteration of the schedule.

7. As Honourable Members will have seen from the published returns, our traffic receipts from railways have been disappointing. The increase in passenger fares was expected to add some 6 crores to the receipts. Traffic, both passenger and goods, especially the latter, has, however, fallen off, and as against the estimated gross traffic receipts of 99½ crores, we do not expect to get more than 92, the small improvement over the gross earnings of last year being mainly due to the increased passenger fares. On the other hand, we expect a saving of 2½ crores on that portion of the expenditure on replacements and renewals which is debitable to revenue, counterbalanced by an excess of about 1 crore in ordinary working expenses. Altogether our net railway revenue is likely to be down by 5½ crores. Taking into account interest charges, I am sorry to say that the final result for the general tax-payer will be that there will again be no profit from railways, but a loss of about a crore.

8. The effect of the new postal rates, during the first few months of the financial year, was to reduce correspondence, but there have since been signs of recovery, and the public are now gradually getting used to the higher postal charges. For the present, however, I think we must anticipate a diminution of 1,06 lakhs in our anticipated receipts in 1922-23. There is a small saving in working expenses, and after debiting interest, the department will probably prove to have been running at a profit of about 24 lakhs.

9. We expected large arrear income-tax collections, but after the beginning of the year it became evident, not only *Income-tax.* allowances that we should have to make for bad debts, etc., would be large, but also that our revenue was to be seriously affected by heavy refunds which have had to be made in Calcutta as a result of the adjustment system in force under the former Act; fortunately this will, under the new Act, not disturb our estimates again. I understand that in Calcutta companies have in many cases actually received a cheque from the income-tax authorities instead of paying any tax to Government, and the net receipts in Bengal are not expected to be more than 3½ crores. The collections have been good in the other provinces, particularly in Bombay, though the lower profits which the cotton mills have recently been making will, I fear, affect our revenue from that city in 1923-24. Altogether, we expect a total deterioration of 3½ crores.

10. As regards other heads, I need only say that we expect to get 89 lakhs more from opium than we anticipated, and *Opium and salt.* there will probably be some slight improvement—7 lakhs or so—under salt.

Expenditure.

11. On the expenditure side, there will be a substantial saving of about 1.86 lakhs in our budget provision for interest on *Interest.* debt. Our rupee and sterling borrowings have been larger than we budgeted for, but a full half year's interest in respect of the greater part of these does not fall due till next year; the success of our borrowings has, moreover, enabled us to fund a substantial portion of our floating debt, and the payment of interest made for short periods this year on our new loans is less than that which would have been payable for the replacement of the treasury bills discharged.

The House will recollect that a special provision of 60 lakhs was entered in the Civil estimates as part of the expenditure *Other Civil expenditure.* in Waziristan (under the head "Political"). We now anticipate that there will be a saving of nearly 85 lakhs therein, owing to a part of the expenditure being thrown forward to next year. There will also be a saving of ½ crore in other civil expenditure, mainly as the result of retrenchments carried out during the year.

The average rate of Exchange for which we budgeted was 1s. 4d. We *Exchange.* expect no appreciable deviation from the budget under this head.

12. Before dealing with military expenditure, I must explain briefly a change which has been made in the method of *in method of* showing the figures; it affects all the non-commercial heads but is most marked in the case of the military portion of the accounts. Our practice in the last two years in distributing exchange adjustments has been to show them against the individual heads of account in so far as the commercial services were concerned, and to lump the entries under one head "Exchange" in respect of the remaining heads. This method would answer well enough if the difference between the statutory rate (2 shillings to the rupee) and the actual rate was fairly small; but it gives our figures a misleading appearance when the difference between the two rates is as large as has been the case during the past two years. It was not at all surprising, therefore,

[Sir Basil Blackett.]

that serious objection was taken to this procedure in the course of the discussion of the budget in both Houses last year, on the ground that it had the effect, on the surface, of largely understating the actual expenditure incurred on military services. It has now been decided to distribute the exchange adjustments between the individual heads in all future accounts and estimates. The figures of military expenditure which I shall give this morning have accordingly been arrived at after converting sterling into rupees at the rate of 1s. 4d.

13. The Budget provided 65·10 crores for the established charges of the Army, 2·13 crores for Waziristan expenditure and 52 lakhs for demobilisation charges, making a total of 67·75 crores. In regard to the Waziristan expenditure my predecessor stated that the figure could be regarded as tentative only, since it is always difficult to forecast the exact effect of military operations of this nature. His apprehension has unhappily proved correct and Waziristan expenditure in 1922-23 is now estimated at 3·85 crores. Demobilisation charges will amount to 2·8 crores owing to unexpected progress with the discharge of surplus officers and to a claim from the War Office for the cost of demobilisation of British troops which had become surplus on the reduction of Indian establishments. On the other hand, the established charges will now amount to only 60½ crores, owing to a continued shortage of British troops, fall in prices and a variety of other causes. A careful control has been maintained over these charges; and savings in Budget grants have not been allowed to be re-appropriated for new measures involving a permanent liability of any considerable magnitude, though a small portion had to be made available to meet initial expenditure on equipment the purchase of which could not be further postponed. In spite therefore of the excess expenditure of 1,72 lakhs in Waziristan, we have been able to effect a saving of 46 lakhs in the budget grant for Military expenditure.

Summary of variations. 14. These variations in revenue and expenditure are summarised below:

	(In lakhs of rupees) (+ better, — worse).	
(i) Customs revenue, less	3,12	
(ii) Income-tax revenue, less	3,42	
(iii) Opium and salt revenue, more	96	...
(iv) Net revenue from Railways, less	5,86	
(v) Net revenue from Posts and Telegraphs, less	94	
(vi) Interest and Currency receipts, more	51	..
(vii) Saving in provision for interest on debt	1,86	...
(viii) Saving in Military expenditure (net)	46	...
(ix) Saving in civil expenditure including Political expenditure in Waziristan) and other items	1,21	...
	5,00	18,34
	—8,34	
Deficit as budgeted for	—9,16	
Deficit according to present estimate	—17,50	

III.—POSITION OF INDIAN FINANCES AT THE CLOSE OF 1922-23.

15. Before I proceed to present the budget for 1923-24, I should like, with the permission of the House, to make a short survey of the financial position of India at the present time, and to attempt to give the House a new-comer's first impressions, or as Mr. Punch would say, first depressions. I am afraid that much of what I say may sound rather superficial, and that I shall be open to the charge of doing what has been done before by more than one globe trotter who, after spending a few weeks in the country, sets to and writes a book about India. One of the many books about India which I brought with me to read on boardship on my way out was a volume entitled "The Moral and Material Progress Report". I was rather shocked by the odd assumption in the title that there had necessarily been progress. When I came to look into the finances of India for the last few years, I was tempted to wonder whether it was not rather a rake's progress. For five years in succession, India has had a deficit. The accumulated total of these deficits amounts to no less than 100 crores, and this in spite of the fact that in the last two budgets additional taxation has been imposed estimated to bring in about 28 crores during the year 1922-23. Even this is not the whole story. Apart from our revenue deficits, we have spent many crores on unproductive purposes, the expenditure on which is classed as capital expenditure. New Delhi is the most obvious example. I can see no justification, other than sheer necessity, for not treating this expenditure as chargeable against revenue, and in any case it ought to be repaid out of revenue at an early date. Moreover, besides the deficit of the Central Government, the recurring deficits of the provincial Governments and of many local bodies throughout India must not be forgotten.

16. I ask the House to pause a moment and consider what these deficits mean. Unfortunately, we are accustomed in these days all over the world to budget deficits, and familiarity breeds contempt in spite of the fact that more than one awful example is before us among the nations of Europe of the chaos which continued budget deficits inevitably induce. The individual who lives beyond his income year by year does not escape the penalty and the same is true of a State. The individual who makes this mistake quickly finds himself compelled to consent to a ruthless cutting down of his expenditure or is driven either to sell or to mortgage a part or the whole of his possessions; or, in the worst event, to cheat his creditors. A State is in the same position, but the position is frequently obscured by the fact that the State's creditors are in another capacity the citizens of the State and its taxpayers. And the State which is driven to cheat its creditors does not always realise what it is doing although its unsound methods are adopted at the expense not only of the wealth and happiness of its own citizens, but also at considerable risk to social order within its borders. Much of the present unrest in the world is due to the way in which States in all parts of the world have cheated their creditors by unsound currency manipulation and the creation of paper money with no real assets behind it.

17. India has not entirely escaped the evils of taxation through inflation, but as compared with many other countries she has come off well. Out of the total deficit of 100 crores during the last five years, it is estimated that 31 crores have been covered by the creation of paper money, representing nothing but the I. O. U.'s of the Government of India. The remainder amounting to 69

[Sir Basil Blackett.]

crores has been raised by borrowing. Moreover to the extent of 22 crores the borrowing has thus far taken the form of issues of Treasury Bills to the public. It is true that, owing to special conditions during 1922-23, we were able to reduce our Treasury Bills by 32 crores, in spite of the deficit, out of the proceeds of long term loans. Still, 22 crores of Treasury Bills in a country like India is far too large an amount to have outstanding. A large volume of Treasury Bills is an evil even in England, where the condition of the money market is such that it is always possible to renew maturing bills by offering a competitive rate, but in India conditions might easily arise under which even an impossibly high rate would be insufficient, and in that case the Government of India would be driven back to replacing the Treasury Bills by paper currency, i.e., would be driven to taxation by inflation.

18. In this connection, a word may be said about our early maturing debt. We have to find the means of meeting bonds during the next three or four years to the extent of 5½ crores in 1923, 3½ crores in 1925, and nearly 38 crores in 1926. These amounts, too, have to be competed for against other demands on the market, and may be said, in part at any rate, to be one of the outcomes of the deficits for the last few years.

19. But the deficits of 100 crores can be looked at from another point of view, when again their evil effects are prominent. In the budget for 1923-24, the charge for interest would be at least 5½ crores less had it not been for these accumulated deficits. This extra 5½ crores has to be met either by reducing expenditure, possibly by reducing desirable expenditure, or by raising new taxation, or at best by maintaining existing taxes which could otherwise be reduced.

20. Moreover the continued deficits are threatening to impair India's credit in the market both at home and abroad, and increasing the cost of borrowing whether for covering the deficits or for new capital expenditure. India is a country where, as it seems to me, there is an almost unlimited field for new capital expenditure on new development. At the last Assembly of the League of Nations at Geneva, India established her claim to be one of the eight premier industrial States of the world. Every one admits, however, that India is only at the beginning of her industrial development, and it is out of her capital resources, i.e., out of her accumulated savings and her new savings, that the capital to develop India industrially must be found. We have borrowed all that we could borrow in India and in England during the last few years for capital expenditure purposes, and we have undertaken a minimum programme of 30 crores a year for capital expenditure on Railways. I wish it could be more. So far as I can judge at the present time, the amount which might usefully be spent on profitable development of transportation in India is limited mainly by the possibilities of finding capital resources. Yet we have spent 100 crores out of capital in the last five years in financing deficits, thereby diminishing to a corresponding extent the resources available for developing India. Let us make no mistake about it. If recourse to inflation is ruled out, if it is agreed that the concealed method of taxation by inflation is the worst of all methods, the money to meet the annual expenditure of India, whether on capital or on revenue account, must come out of the savings of the country. The only exception, which is not a real exception, to this statement is that some of the capital may be borrowed abroad, and it has of course been a commonplace of the history

of the last century that capital has been found by the older industrial countries of the world for the development of new-comers in the field, to the great advantage both of the borrower and of the lender. But the amount that India can borrow abroad is limited both by the amount available abroad, which in the present condition of the world may prove a comparatively small amount for some time to come, and by the capacity of the borrower to meet the annual charges for interest. These annual charges for interest are in effect a claim on the future resources of India and ultimately come out of the same pocket as the money required to meet the rest of India's expenditure, i.e., out of the savings of the people. To sum up, the deficits of the last few years have brought in their train a certain amount of taxation by inflation, a heavy annual charge on the present and future budgets of India, a deterioration in India's credit, an increase in the cost of borrowing, and a depletion of the resources available for desirable capital development.

21. Perhaps I may be allowed to digress at this moment to touch on a subject in which I have always taken very great interest. Every one who has studied the subject agrees that a wonderful era of prosperity would be ahead of India if the habit of investment could be stimulated, if investment in India became anything like as general a practice as it is in such countries as England and France. It is true that much has been done in recent years. The rupee loans of the last few years have been unprecedented in amount. But much remains to be done if the Indian people are to form the habit of investing their talents in reproductive enterprises rather than wrapping them up in a napkin, and perhaps I should also add, if some of them could learn to be content with sound and steady returns on the money they invest instead of looking for impossibly high dividends.

22. I have been making some inquiries as to the progress of the Post Office Cash Certificates. I was an original member of the National Savings Committee appointed in England at the beginning of 1916 largely through the efforts of Mr. Montagu and was privileged to take a part in what is widely regarded in England as a most extraordinarily successful movement. The change from thriftlessness to thrifty habits which has taken place among many sections of the English people has been described as a revolution. National Savings Certificates to the value of nearly £360 millions are now held by the small investor in the United Kingdom. When I contrast the sales of the Post Office Cash Certificates, which were not inconsiderable during the war when they were first started but have since declined, I cannot help thinking that there must be great possibilities of development in this system. What a great improvement in our financial outlook would result if by development of the Post Office Cash Certificate system a considerable part, if not the whole, of the money required for provincial capital expenditure could be found out of the proceeds of Cash Certificates! It is my earnest hope that before long means may be found for taking up this subject in earnest. It is a subject in which above all others, if we are to succeed, non-official effort must be enlisted to second governmental action.

23. As the results of the deficits of the last few years and of the war, India's debt has grown from a total of 4.11 crores on the 31st March 1914 to an estimated total of 7.81 crores on the 31st March 1923. This figure includes the floating debt and the early maturing debt of which I have already spoken, but it excludes no less than 69 crores of obligations which it is I find the practice to treat separately from the debt of India, though as far as I can see these obligations are just as much a part of India's:

[Sir Basil Blackett.]

debt as the rest. Taking, however, the figure of 7,81 crores which I have given of the total debt of India on the 31st March 1923, we find that 5,57 crores is classed as productive and 2,24 crores as ordinary or unproductive debt. The proportion of productive to unproductive debt is one which naturally looks strikingly good to any one who thinks of Great Britain's figure of £7,500 millions of debt, all of which has gone in powder and shot. But this comparison must not blind us to the fact that since the 31st March 1914 the total debt has increased by 3,70 crores and the unproductive debt by 2,27 crores, and we must not forget that the yield on that part of our productive debt which is invested in railways has not been sufficient in the last two years to meet the interest charges.

24. The debt, again, has to be divided between rupee debt and sterling debt. The rupee debt has risen since the 31st March 1914 from 1,46 crores to 4,21 crores and the sterling debt has risen from £177 millions to £240 millions in the same period. The sterling debt of £240 millions represents a claim on India's production of goods and services in the future up to the value of the principal together with a further claim on those goods and services for interest during the interval until the principal is paid off.

25. This question of the sterling debt brings me by a natural transition to a new subject, which is certainly not the last one to be brought to the attention of an incoming Finance Member—I mean the question of currency and exchange. Now, it is no good crying over spilt milk, and I do not think the House will expect me to delve deeply into the history of Indian currency during recent years. It is easy to be wise after the event. There were some wise men, however, even in 1919-20, who held that the right course at that time would have been to adopt a waiting policy, and I am convinced that, for the moment at any rate, a waiting policy is still the right policy. What was it that upset the equilibrium of the rupee-sterling exchange which had been so painfully stabilised at 1s. 4d. at about the end of the 19th century? Primarily of course it was the Great War and the adoption of inflationary methods by all the belligerent countries. Whatever system of currency had been in force in India during the Great War, it would have been profoundly disturbed by the events of 1914-18. In so far as India had a choice and was not swept along in the maelstrom of world events, India's choice was necessarily between an attempt to keep the exchange value of the rupee more or less stable and an attempt to keep rupee prices more or less stable. As a matter of fact, India's first choice was the former, and for some time the rupee remained at or about 1s. 4d., but then the rise in the price of silver, which occurred as the natural consequence of the fall in the purchasing power of gold, introduced a new complication. It is impossible over a long period to keep a coin in circulation which is worth more as bullion than it is as current coin. Once the traditional figure of 1s. 4d. for the rupee was departed from nothing remained stable, though in comparison with the rest of the world Indian prices up till 1920 remained relatively stable in terms of gold. Thus, it was essentially the rise in the price of silver which upset the Indian currency system. I need say no more of the attempt that was made to stabilise the rupee at a new, or rather at the old, fixed rate of 2 shillings gold in 1920 except that it failed. Looking back, we are able to say that the attempt was an almost impossible one with all the exchanges of the world out of gear, with world prices moving up and then down with unexampled rapidity, and with relative prices as between one commodity

and another fluctuating in an unheard-of manner. Can we say that the position to-day is such that an attempt to give the rupee a fixed value, whether at 1s. 4d. or any other rate, in terms of gold, or in terms of some other currency, is much more likely to succeed than it was in 1920? I think not. The French are in the Ruhr; the whole of Continental Europe is faced with the threat of impending chaos; throughout the world prices are unstable; sterling has approached close to par with gold but it is not yet at par; and even if it were at par, it is too soon to say whether political and monetary conditions in the United States may not lead to a fresh cycle of rising prices in terms of dollars which would almost necessarily have to be followed by a rise in sterling prices. For the moment, therefore, I repeat that the time has not yet come for a new attempt to fix the rupee, whether at 1s. 4d., 1s. 6d., or any other figure.

26. Subject, however, to one essential condition, namely, that the era of unbalanced budgets, central, provincial and local, in India, is succeeded by an era of balanced budgets, there is, I think, reason to regard the currency position of India with some satisfaction. We had a good monsoon last year and India's export trade has taken a turn for the better. For internal purposes the metallic reserve of silver seems to be fully ample to maintain the convertibility of the paper currency. In addition to the reserve of silver rupees, there is in the Paper Currency Reserve a sum of £24 millions in gold, and in sterling securities, easily convertible into foreign exchange, a total of £5,800,000 sterling. Over and above and outside these Reserves, we have £40 millions in the Gold Standard Reserve. In spite of the separation between the two Reserves, if we are looking at the resources available for maintaining the rate of exchange of the rupee, the sterling securities in the Paper Currency Reserve and the Gold Standard Reserve all serve the same purpose.

27. The movements of the rupee-sterling exchange during the past year reflect a clear improvement in the position of the rupee. A year ago, in February 1922, the telegraphic transfer rate in Calcutta on London had fallen as low as 1s. 2¹⁵/₁₆d., and it was not till the end of December that it reached 1s. 4d. Since then, after a rather rapid rise to over 1s. 5d., followed by a sharp re-action, it is for the moment fairly steady at between 1s. 4d. and 1s. 4½d. This improvement in terms of sterling reflects an even greater improvement in terms of gold owing to the rise which has taken place during the year in the value of sterling in terms of gold, and the improvement is reflected also in prices. The Bombay Labour Office figure for Indian wholesale prices for December 1921 was 190. For December 1922 the corresponding figure was 173. There has been a still more striking fall in retail prices of food grains. This fall in Indian prices has been taking place during a period in which there has been an actual rise in dollar prices and sterling prices have remained approximately stationary.

28. I have said that I do not think the time has come for fixing on a new policy in regard to exchange. I do, however, want to make one or two general observations. There is no sanctity in this era of instability about any particular rate of exchange, whether 1s. 4d. or 2s. or anything else; it is simply a question of what rate of exchange best suits India's needs. Ultimately India's payments outside India are, and must be, made in the form of exports of Indian goods and services. But, if we look at the matter

[Sir Basil Blackett.]

from the narrow point of view of the budget, the following statistical data are of interest. The Government of India's sterling debt of £240 millions sterling at 1s. 4d. amounts to 360 crores, at 1s. 5d. it amounts to 339 crores, at 1s. 6d. it amounts to 320 crores while at 2s. it amounts to 240 crores. Of the deficit for 1922-23, 5½ crores would have been saved had exchange been at 1s. 6d. and 9½ crores if it had been at 1s. 8d. Statistics proverbially can be made to prove anything. Nevertheless, these figures are striking and it must be remembered that, apart from the sterling indebtedness of the Government of India, there are large sterling debts owed by municipalities, port trusts, and many other Indian borrowers, who would all be individually benefited by a higher exchange so far as their sterling indebtedness is concerned. Then, again, although since 1920 the tendency of rupee prices to remain relatively more stable than world prices, or rather to follow changes in world prices rather slowly, has to a large extent ceased to operate, it is very doubtful, I think, whether internal prices in India have yet adjusted themselves to a level corresponding to a 1s. 4d. exchange, so that were exchange stabilised now at 1s. 4d., internal prices would have to go up, and certainly there are various kinds of Government expenditure which would have to go up considerably in terms of rupees. Finally, we do not want ever again to find the rupee more valuable as bullion than as currency. That is one side of the picture. There is, of course, another side. An attempt to force up exchange violently would at once cause stringency. Severe stringency in the money market is never desirable for its own sake is always bad for trade for the time being, and is most inconvenient from the point of view of a government which is engaged on a programme of capital expenditure, involving considerable capital borrowings. Any policy which threatened seriously to restrict India's exports is also to be deprecated, and trade above all desires stability of exchange, perhaps even more than stability of prices. I myself had some part in the International Conference at Genoa last April and May, and the first recommendation of that Conference was that "an essential requisite of the economic reconstruction of Europe is the achievement by each country of stability in the value of its currency." If, therefore, the time has not yet come for an attempt finally to stabilise the currency of India, stability is our goal and we mean to achieve it at the first opportunity.

IV.—BUDGET FOR 1923-24.

Expenditure.

29. While drawing attention to the above recommendation of the Genoa Conference, I am naturally led to quote another of its most important recommendations, which reads:

"In each country, the first step towards re-establishing a gold standard would be the balancing of the annual expenditure of the State without the creation of fresh credit unrepresented by new assets. The balancing of the budget is the first consideration."

What then about the budget for 1923-24? Is it going to be balanced? The Members of the Legislature are not the only people in India who are taking an interest in this question. Only a few days ago, I received the following postcard:

"Sir, kindly let us know by wire at our expense whether the customs duty will be decreased or increased on foreign imported wines and spirits. Awaiting your favourable reply by wire."

30. At the outset of my statement of the figures for 1923-24, I must explain what action the Government of India Retrenchment Committee. propose to adopt in order to be able to show the results of the report of the Retrenchment Committee in the budget figures. The first part of the report of the Inchcape Committee came into the hands of the Government little more than a fortnight ago, while the second part of the report reached us only on Saturday last and the third part yesterday. The complete and final report has not yet been signed. It has been a difficult problem to decide how to fit the proposals of the Retrenchment Committee into the budget. A report of this importance obviously requires careful and detailed examination by the Government of India in consultation with the Secretary of State, and the House will naturally desire an opportunity of studying the proposals on their merits. There has not been time, therefore, for final conclusions to be arrived at in regard to a great many of the Committee's recommendations. On the other hand, it was obviously necessary to frame a budget in which allowance would be made for the reductions in expenditure which we all expect to result from the Committee's work. In any circumstances, it would, of course, have been impossible, and it is clearly recognised by the Retrenchment Committee itself that it would be impossible, to obtain the full value of the cuts which are to be made in the first year of operation. Some of the retrenchments proposed can only be introduced gradually so that allowance has to be made for what I may call the "lag", while in many cases allowance has to be made for extra expenditure on what I may call the "terminal charges", i.e., special charges which have to be incurred in closing down establishments and getting rid of the staff. Throughout its report, the Committee's recommendations are given in the form of reductions on the budget figures for 1922-23, which are, of course, quite different from the budget figures for 1923-24 as they appear before allowance is made for special cuts based on the Committee's recommendations. A fair proportion of the total reductions recommended by the Committee are either automatic reductions on the 1922-23 figures or actual retrenchments which we ourselves have been able to effect in the budget for 1923-24 in advance of the receipt of the Committee's recommendations. The activities of the Committee cast their shadow before, and estimates prepared in the atmosphere of economy which they created naturally reflected part of that atmosphere.

31. In the Military budget, we have been able to take credit for the reductions, which, subject to final agreement with the authorities in London, we propose to effect as the outcome of the Retrenchment Committee's recommendations. This we were able to do because we had advance knowledge of the reductions which were going to be proposed, and His Excellency the Commander-in-Chief, working in close co-operation with the Retrenchment Committee and with his Colleagues in the Government, had arrived at a general agreement in regard to the total. In the case of the Posts and Telegraphs budget, we have been able to present figures showing the effect for 1923-24 of some though not all of the reductions which we propose to effect in consequence of the recommendations of the Retrenchment Committee. Our preparations could not be so far advanced in regard to the other Civil Departments. It was necessary to prepare, for the purpose of presentation to this House, the estimates for the Demands for Grants before we had sufficient knowledge of the proposals which were going to be made by the Retrenchment Committee. The estimates for the Demands for Grants, which are about to be presented, accordingly show the figures of civil expenditure before allowance is made for

[Sir Basil Blackett.]

special retrenchments consequent on the report of the Committee. As I have already explained, this does not mean that none of the results of what the Committee recommends appear in those estimates, but simply that the final retrenchments are not included in the figures.

32. Our problem, therefore, has been how to include in the budget statement the additional reductions which we hope to effect after studying the report of the Committee, and how to place the House in a position to examine and vote on the Demands for Grants in proper form. The Government are not yet in a position to announce definitely which of the particular recommendations of the Committee will be adopted; nor has it been possible to frame an accurate forecast of the allowance to be made for the fact that particular retrenchments cannot come into full effect as early as the 1st April 1923. But after giving careful consideration to the report, the Government of India have decided that they will be justified in taking the responsibility of saying that they believe that a reduction of 4 crores can be effected, over and above what has already been done, either in the ways proposed by the Retrenchment Committee or by some modification of them. A further paper will be circulated as soon as possible showing how this lump sum reduction of 4 crores is proposed to be spread over the various heads, and when the time comes for voting upon the Demands for Grants, the House will be asked to vote not the original total of each head but only the total as reduced in each case by the special cut made in the light of the Retrenchment Committee's recommendations. In the non-military portion of the Budget excluding interest, the Committee recommend reductions of about $8\frac{1}{2}$ crores on a total Budget estimate in 1922-23, of 103.9 crores. The corresponding figure in our detailed Budget statements for 1923-24 is 101.3 crores, a reduction of 2.6 crores. The House will see that our cut of 4 crores, together with the amount of 2.6 crores which represents retrenchments proposed by the Committee already taken account of in the estimates, makes a total of 6.6 crores. The difference between these two figures, amounting to less than 2 crores, represents the allowance which it is thought necessary to make for the fact that many of the recommendations, even if accepted, cannot be in full operation during 1923-24. This allowance is not a large one. The Government of India will do their utmost to make sure of converting their hopes into accomplished facts and will leave no stone unturned in their endeavour to make actual reductions to the full extent of the 4 crores. We must cut our coat according to our cloth, and where necessity drives, we must be content to forgo even desirable outlays. But I cannot conceal from the House that it will task all our ingenuity to give full effect to the 4 crores reduction within the year 1923-24, and that some risks are being taken in assuming that figure for Budget purposes.

33. Some risks are also being taken in regard to our Military expenditure, risks of the same financial kind as in the case of Civil expenditure owing to the uncertainties caused by the circumstances in which our estimates have had to be framed, and risks of a military nature as well. In the case of Military expenditure the total for which the House will be asked to provide funds in 1923-24 is 62 crores. This figure represents, as I have already explained, the total required after taking into consideration the recommendations of the Retrenchment Committee. This total, which includes 1.69 crores for expenditure in Waziristan, compares with the total of $67\frac{1}{2}$ crores for 1922-23, a reduction of $5\frac{1}{2}$ crores.

34. Opportunity will arise in the ordinary course for a general discussion by this House of the Army expenditure, but I may say that in the forefront of these reductions and forming the pivot on which the other reductions depend is a substantial reduction in the strength of British and Indian forces.

I am not in a position to-day to give details of the reductions in troops which it is proposed to effect. These reductions are being discussed between the Government of India and His Majesty's Government. The form which the reductions should take is necessarily a matter of some intricacy and complication as it is desirable to impair as little as possible the essential structure and organisation of the Army and so to retain after the reductions the maximum degree of efficiency. The decision, as the House will understand, is also a very responsible one and the difficulties being what they are, there simply has not been time to arrive at final decisions. In any case the full financial effect of these reductions and of other proposals in regard to the military expenditure cannot for practical reasons be expected in the coming year. If these reductions and the others which have been agreed upon could have been fully and effectively in operation by the 1st of April 1923, the net Military budget for 1923-24 would be 57.75 crores, but a sum of 4.25 crores has to be allowed for special expenditure in Waziristan and for the fact that the reductions cannot be in full force throughout the year.

35. It is not my intention to-day to go through the expenditure for 1923-24 in detail. Full statements under the various heads will be circulated, and I think it will be for the convenience of the House that I should leave Honourable Members to study these for themselves. It will be enough for me to say now, therefore, that, as compared with the original Budget Estimate of expenditure for 1922-23 of 2,15.27 crores inclusive of the working expenses of commercial departments, our total expenditure for 1923-24, taking sterling expenditure at the rate of exchange of 1s. 4d per rupee, is estimated to be 2,04.37 crores, a reduction of 11 crores in spite of an increase of 1½ crores for interest.

Revenue, 1923-24.

36. I turn now to the Revenue. In framing our revenue forecast, we have assumed that trade conditions will continue much as they are at present. We have allowed, that is, for a small growth in revenue such as may normally be expected from year to year; we have not counted upon any early boom in foreign trade.

37. Under Customs, I do not think we can prudently anticipate for next year imports of sugar on anything like the same scale as in 1921-22, and allowing for the new tariff valuation we estimate a revenue from sugar of 5 crores as against 4½ crores for the current year. As regards the other tariff heads, we have either repeated the figure which we anticipate for the current year, or have provided for a small increase where an expansion seems probable. Altogether we assume a total gross revenue of 45.90 crores, or, allowing for refunds, a net revenue of 45.09 crores, which is 2.79 lakhs more than what we now expect to collect in the current year. This figure is arrived at after allowing for a reduction to 5 per cent. all round of the export duty on hides and skins, a reduction necessitated by the state of the trade.

[Sir Basil Blackett.]

88. As regards Income Tax, we shall not again have to make the heavy refunds to which I have already referred; on the other hand, there is fairly certain to be a falling off of revenue in Bombay, while the collection of arrears will also be less; these may be expected to balance each other, and we have entered a revenue of 19 crores, which is roughly the same as we expect to raise this year.

Income-tax.

89. I come now to the Railway budget. There is no doubt that as soon as any marked revival in internal trade takes place, Railway earnings ought to show a considerable rise; the autumn harvest has been so good and the promises for the spring crop are so favourable that it is not unreasonable to expect a revival before long. The difficulty is to say how soon this revival will occur. Traffic receipts suffered a check in 1922-23, and on the whole I do not think it is safe to budget on the assumption that there will be a very rapid revival in 1923-24. Our estimate for gross traffic receipts is accordingly put at 95½ crores. It is 3½ crores higher than the revised estimate for 1922-23. Two factors account in the main for this increase of 3½ crores. The first is that in the earlier months of 1922-23 there was a considerable loss of revenue due to the strike on the East Indian Railway and the second is that the present increased rates did not come fully into effect on all Railways until about the 1st of July 1922.

Railways.

Working expenses and interest and other charges, without allowing for the share attributable to this head of the Incheape Committee's cuts, amount to nearly the same figure, leaving a net profit for the year of 35 lakhs which compares with the net loss on the current year's budget as now revised of ₹92,60,000.

40. In the case of Posts and Telegraphs, we are able to estimate for a net receipt of 147 lakhs as compared with the net receipt of 24 lakhs in the 1922-23 budget as revised. This improvement is due in part to expected recovery in revenue and in part to reductions in working expenses made in anticipation of, or in consequence of, the recommendations of the Retrenchment Committee.

Posts and Telegraphs.

41. We thus arrive at the following budget position on the basis of existing taxation. As against an expenditure of 2,04.37 crores, we have an expected revenue of 1,98.52 crores, leaving a deficit of 5.85 crores. Before I proceed to explain to the House what we propose to do in regard to this deficit, I must turn for a moment to our ways and means position.

Total revenue.

V.—WAYS AND MEANS.

42. Public attention is usually concentrated on the annual budget of revenue and expenditure, but the Ways and Means budget is of equal importance, for after all it is the Ways and Means budget which shows the sums which the Government has to pay out under one head or another during the year and the sums which it has to get in from the public. Whether it is a provincial overdraft or an advance on capital account, or whether it is a revenue deficit, the money to meet the outgoing has to be got in before it can go out. The Ways and Means budget is, however, one which it is difficult to present in a clear and easily intelligible form. It is never possible to adhere to a strict programme in regard to Ways and Means operations. In financing the country's various liabilities and in

finding cash for our own and the provinces' day to day disbursements, we have to be guided very largely by the changing conditions of the money market both here and in London.

43. During the current year we expect to meet liabilities, over and above what has been met from revenue, amounting to 106 crores. These will have been financed mainly out of the proceeds of our rupee and sterling loans which have been on an unprecedentedly large scale. Our rupee loan realised nearly 47 crores and £31½ millions was borrowed in London during the year. One satisfactory feature of the year, to which I have already referred, is that out of these borrowings we have been able to reduce our floating debt by 40·6 crores, of which 32·4 crores consists of a net discharge of Treasury Bills held by the public and 8·2 crores of a cancellation of Treasury Bills held in the Currency Reserve. We cannot hope to continue the reduction of floating debt on the same scale over a long period, but I feel sure that the House will agree with me that it must be our constant policy to secure the early extinction of the floating debt by its conversion into securities of longer term.

44. Our sterling borrowings have facilitated the provision in London of the sums required to meet our sterling obligations during the year. But advantage has been taken of the strengthening of exchange which occurred at the New Year to effect remittance by the method of selling Council Bills. Weekly sales have been taking place of moderate amounts since the beginning of January, and we have thereby been placing funds in London at a moment which, although somewhat in advance of actual requirements, is nevertheless convenient to the market. We anticipate that our balance in London will be about £8 millions on the 31st March 1923 as against a normal minimum balance of £4 millions, but the surplus will be required early in the new financial year.

45. The following statement summarises the Ways and Means operations for India and England together during 1922-23 and 1923-24:

Summary.

Liabilities.

	(Crores of rupees.)	
	Revised.	Budget.
Railway capital outlay	21·4	35·6
Delhi, Irrigation and Telegraph capital outlay	3·0	2·9
Discharge of funded debts, etc.	12·4	5·2
Discharge of Treasury Bills—		
With the public	32·4	5·5
In the Paper Currency Reserve	8·2	...
Loans to Provincial Governments	11·4	18·5
Central Government's revenue deficit	17·3	...
Drawings of Provincial Governments . . . . .	...	1·3
	<u>1,06·1</u>	<u>67·0</u>

Met as follows:

Central Government's revenue surplus . . . . .	...	·2
Surplus revenue of Provincial Governments	1·0	...
Rupee loans	46·9	25·0
Sterling loans (converted at 1s. 4d.)	47·3	22·7
Net receipts from Savings Bank deposits, etc.	3·1	5·0
Miscellaneous items	2·5	2·2
Reduction of cash balances	5·3	11·9
	<u>1,06·1</u>	<u>67·0</u>

[Sir Basil Blackett.]

46. In 1923-24, if the measures which I propose are adopted, we shall not again have to face the necessity of financing a large revenue deficit. Our largest liability will be for Railway Capital outlay. During 1922-23, it has not been possible to spend the full 30 crores allotted under the 5-year programme; there will be a large carry forward. We are adding this to the 30 crores for next year, making a total of 38.6 crores to be provided for capital expenditure on Railways in 1923-24. We have about 5½ crores of maturing bonds to meet, and our other Capital outlay is expected to reach about 3 crores. Loans or overdrafts to the Provincial Governments will absorb 13½ crores, the greater part of which will go to the Bombay Government for expenditure on their Development scheme.

47. We expect to start the year, as I have already said, with a cash balance of £8 millions in London. We are assuming, for the purpose of the Ways and Means estimate, that we shall be able to raise £15 millions by new sterling borrowings. We are assuming for budget purposes also that we shall be able to secure a rupee loan of 25 crores. With these resources, we hope to meet the liabilities I have mentioned, and in addition to effect a further reduction of five or six crores in our floating debt. In addition to the new sterling borrowings of £15 millions we estimate that we shall require to remit £27 millions to London from India during 1923-24. It is unnecessary, I think, for me to discuss at the present moment the various alternative methods of effecting this remittance. In addition to the ordinary method of purchase of exchange, the £5½ millions in the Paper Currency Reserve in London, and after that the Gold Standard Reserve of £40 millions, can be drawn upon against an equivalent earmarking of rupees for those Reserves in India. Which particular combination of the various methods available will be adopted is a matter upon which it is impossible for Government to commit themselves in advance, since much must depend upon exchange conditions during the year.

VI.—PROVINCIAL CONTRIBUTIONS.

48. There is another subject on which I should like to say a word owing to its close connection with the problem of covering our deficit, and that is the vexed question of the provincial contributions. I do not think that any one considering Indian finances at the present time can fail to be impressed by the undesirability of a long continuance of the present unsatisfactory position in regard to the provincial contributions. The Government of India have stated plainly that, as soon as they are able to do so, they intend to reduce, and eventually extinguish, these contributions. I am aware that this is not the solution which finds universal favour, though I think this is what the majority of the Provincial Governments desire. But so long as we have a deficit in the Central budget, it is obviously impossible for us to make a beginning with the reduction of provincial contributions. Meanwhile, every Provincial Government, without exception, is finding very great difficulty in balancing its budget. The majority, I am afraid, did not succeed in doing so in 1922-23, though they are doing better I am glad to see for 1923-24 though we did not help them by our action in regard to the Stamp Duty Bill earlier this week. It has been suggested to me by more than one spokesman for the provinces that there is a feeling in the minds of the Provincial Governments and of their Legislatures that it would be unwise for them to show balanced budgets. They

are, it is hinted, taking a leaf out of the book of some charitable and religious bodies which make a habit of showing an annual deficit in order to make a striking appeal to their supporters to come to their rescue. The Provincial Governments think, it is said, that they will get more sympathy from the Central Government and get rid of their provincial contributions quicker if they can show a handsome deficit and appeal to the charity of the Central Government. I should like to say for my part that the strongest appeal that the Provincial Governments can make to me in this matter of the Provincial contributions is to show themselves worthy of assistance from the Central Government by strenuous and successful endeavours to make both ends meet for themselves. Much, therefore, as we should have liked to be able to make a beginning of the reduction of the provincial contributions, it is obvious that this year we must confine ourselves to an attempt to deal with our own deficit. I would, however, add this appeal to all who are interested in a reduction in the provincial contributions. Let them give us their full support in any measures we propose for securing a balanced Central budget in the certainty that by so doing they are hastening the day when the contributions can begin to be released.

VII.—PROPOSALS FOR DEALING WITH THE DEFICIT.

49. What then is to be done about the deficit of 5.85 crores? First of all, we propose to make an adjustment which, though little more than a change in methods of book-keeping, has the effect of reducing the apparent figure of the deficit by 1.59 crores. It is proposed to ask the House to continue during 1923-24 the arrangement made a year ago for crediting to revenue the interest on the securities in the Paper Currency Reserve. There is a similar source of income in the interest on the £40,000,000 in the Gold Standard Reserve, which is expected to amount to 1.59 crores in 1923-24. This is, in essence, of the same nature as the interest on the Paper Currency Reserve's investments, and we propose for 1923-24 to treat it in the same way. This change does not really add anything to our available resources or alter our Ways and Means position, but I think it is justified on merits.

50. We are thus left with a deficit of 4.26 crores, and the only way left for meeting it is by additional taxation. If the House will turn its mind back for a moment to what I said about the accrued deficits of the last five years, it will recognise that it cannot leave the deficit of 4½ crores untouched. It will perhaps be asked whether the fact that several crores in the military expenditure and a considerable additional amount in the non-military expenditure represents non-recurrent expenditure due to "lag" and "terminal charges" would not justify the deficit being allowed to continue for one more year. This argument unfortunately does not represent the full facts. If some crores in the military budget represent non-recurrent expenditure, on the other hand over 2 crores of the cuts made in the military budget represent non-recurrent savings, being arrived at simply by a reduction in stores. Similar considerations apply to some of the other cuts both in the military and the non-military budgets, in particular in the railway budget. Moreover, some terminal charges will still have to be met in 1924-25. Whatever our hopes may be, we have no reasonable certainty that the budget for 1924-25 would balance on the basis of present taxation. Moreover we have not yet begun to provide anything towards making good past deficits. If 1924-25 were to turn out much

[Sir Basil Blackett.]

better than it is possible to promise at this moment, we can, if we have got through 1923-24 without a deficit, turn our thoughts to reduction of the provincial contributions.

51. Our conclusion, therefore, is that we must ask for some increase in taxation. No one likes new taxation. It is a disappointment to the House, and it was a great disappointment to me, that new taxation is needed at all. If he is wise, a Finance Member dislikes new expenditure and dislikes new taxation even more.. But most of all, he loathes and abhors a deficit. I hope the House will agree that I have demonstrated to the full the absolute impossibility of its leaving a sixth year's deficit of 4½ crores to be added to the appalling aggregate of 100 crores of the deficits of the last five years. The House would be false to its trust if it allowed the Government to adopt so pusillanimous and mischievous a course. The credit of India is in jeopardy. It is already under the cloud of the deficits of the last five years. But India's financial record has been so good for decades preceding those five years that hitherto the damage is not irreparable. The world has trust in India's record and has felt sure that the era of deficits could only be a passing phase. It is our duty to-day to justify that trust. We have made drastic cuts in our expenditure, but we have not achieved a balance. New taxation is, therefore, inevitable.

52. What form then is the new taxation to take? We have carefully reviewed the existing taxes. In particular, we have examined those taxes which were proposed last year and not accepted. One after another we have had to reject promising expedients, and finally we have come to the conclusion that the right course is to ask the House to agree to an increase in the salt tax to Rs2-8 a maund. In a full year, this increase is estimated to yield 6 crores, but we cannot count on its bringing in more than 4½ crores in 1923-24. The House will see that this additional revenue is just sufficient to cover the deficit of 4½ crores, to give us a balanced budget, and to leave us a small surplus of 24 lakhs. In view of the uncertainties of our estimates of expenditure, this House will agree that this is not an undue margin to leave over for contingencies.

CONCLUSION.

53. My allotted task is finished. I have laid before the House the Government of India's account of their stewardship for the year that is passing and their proposals for the year 1923-24. I am painfully conscious of the responsibility which attaches to the Member introducing the budget. He cannot hope that his proposals will receive universal approbation. I have no doubt that when the details of our proposed expenditure come up for discussion, some Members will criticise this or that retrenchment as iniquitous and the retention of this or that item of expenditure as outrageous. Some other Members will disagree entirely with them on one or other or both of these criticisms. But all will manage to disagree with me on some point or other. I hope none the less that the Government of India will receive the credit which I claim is their due for courageously shouldering their burden and boldly coming forward with a budget which, at one and the same time, effects drastic reductions in expenditure and calls for a further sacrifice in the form of new taxation. I appeal to the House for one last long and strong pull, all of us pulling together, in the confident

assurance that so doing we shall quickly get the boat out of the vicious current which is threatening to drag India down on to the rocks of insolvency. Once back in safe waters, I have every hope that in a surprisingly short time we shall find ourselves on the flood tide of prosperity, and shall be able to turn our minds to pleasant thoughts of reduced provincial contributions, reduced taxation, and increased devotion of our resources to the development of India. I was struck a little more than a week ago by a remark that fell from Sir Deva Prasad Sarvadhikary when, speaking on the Racial Distinctions Bill, he said that the House had had three red letter days in succession. Let us crown our successes by a fourth red letter day, and end our Session with a balanced budget.

THE INDIAN FINANCE BILL.

The Honourable Sir Basil Blackett (Finance Member): Sir, I ask for leave to introduce a Bill to fix the duty on Salt manufactured in, or imported by land into, certain parts of British India; to vary the duty leviable on certain articles under the Indian Tariff Act, 1894; to fix maximum rates of postage under the Indian Post Office Act, 1898; to amend the Indian Paper Currency Act, 1923, and to fix the rates of income-tax.

The motion was adopted.

The Honourable Sir Basil Blackett: Sir, I introduce the Bill.

The Assembly then adjourned till Eleven of the Clock on Monday, the 5th March, 1923.

LEGISLATIVE ASSEMBLY.

Monday, 5th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock. Mr. President was in the Chair.

MEMBER SWORN:

Bao Bahadur P. T. Srinivas Achariyar, M.L.A. (Madras: Nominated Official).

The Honourable Sir Malcolm Hailey (Home Member): With reference to the information promised in reply to Rai Bahadur Bakshi Sohan Lal's question regarding the passed and unpassed candidates of the Staff Selection Board, I may state that the information was supplied on the 28th February last.

QUESTIONS AND ANSWERS.

"POOLING OF WAGONS."

442. ***Mr. K. O. Neogy:** (a) Has the attention of Government been drawn to an editorial article appearing in the *Eastern Mail* dated February 18, 1923, under the head "Pooling of Wagons"?

(b) If so, will Government be pleased to state whether it is a fact that under the wagon pooling arrangement, referred to therein, the two Company-managed lines of Bengal, *viz.*, the B. N. R. and the E. I. R., have profited most, and that the traffic of other Railways in foodstuffs and in general merchandise was restricted in order to enable the said two lines to carry more traffic in the very same commodities?

Mr. C. D. M. Hindley: (a) Yes.

(b) The wagon pool was introduced for the benefit of railways as a whole and the country generally and the traffic of other railways in foodstuffs and general merchandise was not restricted in order to enable the East Indian and Bengal-Nagpur Railways to carry more traffic in these commodities. The fluctuations of traffic to which the article in question refers were not the result of the pooling arrangements.

SEPARATE ESTABLISHMENT FOR COLLECTION OF INCOME-TAX.

443. ***Rai T. P. Mukherjee Bahadur:** (a) Are the Government aware that a separate establishment for the collection of income-tax, headed by an Income-tax Commissioner in each Province, is proposed to be introduced?

(b) If so, will the Government be pleased to state the amount of additional expenditure to be incurred for the proposed separate establishment for each Province?

(c) Will the Government be pleased to state what is the amount of expenditure on that head incurred in the last three years in each Province for the collection of income-tax?

(d) Will the Government be pleased to place on the table a statement showing the number of officers, peons, etc., with their respective pay of each Province?

(e) Will the Government be pleased to state the reasons for introducing this additional expenditure in these days of retrenchment?

The Honourable Sir Basil Blckett: (a) The answer to the first part of the question is 'Yes.'

(b), (c) and (d) Statements giving the information asked for are laid upon the table.

With regard to part (e) the figures given in the statements which are laid in reply to previous portions of this question show merely the expenditure upon the whole-time income-tax staff. They take no account of the cost of the assessment and collection of the tax where the work was or is done by the revenue officers of the Local Governments. The collection and assessment of income-tax is a Central subject and it is no longer possible to arrange for the work being done through the agency of Provincial Governments. Moreover before the introduction of the Reforms the work had become too intricate to be carried out by the ordinary Provincial revenue staff in addition to other duties, and it was necessary to entertain special whole-time officers in increasing numbers. The all-India Income-tax Committee in paragraph 61 of their report placed on record their opinion that "a matter of greater importance than the amendment of the Act is the increase in the number and efficiency of the staff which should consist of officers of the highest training and integrity. The department should include experts of high standing trained in accountancy whose remuneration should be such as to reflect the market value of their professional experience and attainments." The entertainment of the additional staff has not only resulted in greater convenience to assessors but the cost of the staff has been more than covered by the resultant increase in the receipts.

Statement showing the details of the Income-tax Department in the various Provinces.

MADRAS.

- 1 Commissioner of Income-tax on 2,000—100—2,500.
- 4 Assistant Commissioners of Income-tax on 1,000—100—1,500.
- 33 Income-tax Officers on 300—40—500—50—900.
- 29 Accountants, 21 (100—10—250), 8 (110—10—260).
- 18 Surveyors on 150—5—200—10—300.
- 201 Clerks, typists and stenographers on pay ranging between Rs. 35 and 210.
- 2 Shroffs on Rs. 23—35.
- 154 Peons on pay ranging between Rs. 12 and 25.

BOMBAY.

- 1 Commissioner of Income-tax on 2,000—100—2,500.
- 5 Assistant Commissioners of Income-tax, 1 (1,500—100—2,000) and 4 (1,000—100—1,500).
- 37 Income-tax Officers 1 (1,000—100—1,500) and 36 (300—50/2—900).
- 46 Inspectors and Sub-Inspectors, 22 (200—25/2—570), 6 (150—25/2—325), 9 (150—15—225) and 9 (115—5—150).
- 60 Examiners and Assistant Examiners, 1 (550—35—700), 26 (225—25/2—500); 8 (175—25/2—325), 14 (150—15—225), and 11 (115—5—150).
- 284 Clerks, typists and stenographers on pay ranging between Rs. 30 and 450.
- 33 Bailiffs, 10 (100—5—150), 9 (75—5—100), 10 (50—3—65), 4 (40—2—50).
- 250 Notice servers and peons on Rs. 14—1—50.

BENGAL.

- 1 Commissioner of Income-tax on 2,000—100—2,500.
- 6 Assistant Commissioners of Income-tax, 2 (1,500—100—2,000), and 4 (1,000—100—1,500).
- 67 Income-tax Officers on 300—50/2—900.
- 15 Assessors on 125—5—150—10—300.
- 247 Clerks, stenographers on Rs. 35—300.
- 6 Bailiffs, 1 (60), 3 (40), 2 (25).
- 190 Duffries and peons on Rs. 12—60.

UNITED PROVINCES.

- 1 Commissioner of Income-tax on 2,000—100—2,500.
- 4 Assistant Commissioners on 1,000—100—1,500.
- 50 Income-tax Officers, 36 (350—30—800—25—900), 14 Assistant Income-tax Officers (250—12½—350).
- 216 Clerks and stenographers on Rs. 40—250.
- 131 Peons on Rs. 10/8 to 16.

PUNJAB.

- 1 Commissioner of Income-tax on 2,000—100—2,500.
- 3 Assistant Commissioners of Income-tax on 1,000—50—1,500.
- 26 Income-tax Officers on 300—40—850.
- 6 Accountants on 120—7½—240.
- 50 Inspectors on 120—7½—240.
- 97 Clerks and muharirs on pay ranging between Rs. 30 and 350.
- 147 Peons on pay ranging between Rs. 14 and 18.

BURMA.

- 1 Commissioner of Income-tax on 2,000—100—2,500.
- 1 Deputy Commissioner on 1,500—50—2,000.
- 2 Assistant Commissioners of Income-tax on 1,000—100—1,500.
- 18 Income-tax Officers on 350—25—750—50—950.
- 10 Accountants, 2 (200—15—500); [1 (250—10—300), 7 (250)]—Temporary.
- 8 Inspectors on 200—10—300—25/4—325.
- 19 Examiners 8 (200—15—500), 11 (100—5—200—6½—250).
- 44 Clerks and stenographers on pay ranging between Rs. 40 and 300.
- 2 Bailiffs, one on Rs. 100 and one on Rs. 100—150.
- 44 Duffries, Process servers and peons on pay ranging between Rs. 12 and 40.

BIHAR AND ORISSA.

- 1 Commissioner of Income-tax on 2,000—100—2,500.
- 1 Assistant Commissioner of Income-tax on 1,000—50—1,500.
- 10 Income-tax Officers on 300—50/2—900.
- 20 Inspectors on 100—5—200.
- 67 Clerks on pay ranging between Rs. 30 and 275.
- 79 Peons and dufftries on pay ranging between Rs. 13 and 25.

CENTRAL PROVINCES.

- 1 Commissioner of Income-tax on 2,000—100—2,500.
- 2 Assistant Commissioners of Income-tax on 1,000—50—1,500.
- 13 Income-tax Officers on 300—900.
- 37 Inspectors, 12 (175—25/2—275), and 25 sub-Inspectors on (80—100—10/2—150).
- 6 Examiners on 175—25/2—275.
- 58 Clerks on pay ranging between Rs. 30 and 300.
- 78 Servants on pay ranging between Rs. 10 and 15.

ASSAM.

- 1 Income-tax Officer on 275.
 4 Clerks on pay ranging between Rs. 50 and 150.
 3 Peons on Rs. 14—17.

NORTH-WEST FRONTIER PROVINCE.

- 3 Income-tax Officers on 300—40—850.
 2 Munims temporary on Rs. 100.
 6 Inspectors on 120—7½—240.
 10 Clerks on pay ranging between Rs. 30 and 125.
 12 Peons on Rs. 14.

DELHI.

- 1 Income-tax Officer on 300—40—850.
 1 Munim on Rs. 100.
 2 Inspectors on 120—7½—240.
 7 Clerks on pay ranging between Rs. 30 and 125.
 4 Peons on Rs. 14.

Statement showing the expenditure incurred under "2— Taxes on income" in the various Provinces during 1919-20 to 1921-22.

Provinces.	1919-20.	1920-21.	1921-22.
	Rs.	Rs.	Rs.
India, General	48,966	41,855	51,467
Baluchistan . . . . .	...	...	...
North-West Frontier Province	4,439	19,325	22,511
Madras	1,49,341	3,48,722	4,40,836
Bombay	4,42,885	5,81,630	6,63,927
Bengal	2,66,623	3,11,468	3,81,301
United Provinces	2,64,601	3,72,169	4,84,059
Punjab	1,09,818	2,07,814	3,34,507
Burma	1,21,772	1,46,335	1,75,908
Bihar and Orissa	52,165	64,257	1,04,359
Central Provinces	61,732	82,480	2,04,678
Assam	4,927	5,295	7,108
Total	15,27,269	21,86,350	28,70,656

Statement showing the cost of the income-tax staff in the various Provinces.

	Rs.
Madras	8,00,000
Bombay	15,50,000
Bengal	10,81,900
United Provinces	7,61,000
Punjab	7,06,000
Burma	5,35,000
Bihar and Orissa	2,71,600
Central Provinces	4,27,600
Assam	13,200
North-West Frontier Province	73,000
Delhi	21,700

EXCLUSION OF MEMBERS OF THE INDIAN LEGISLATURES FROM THE WARRANT OF PRECEDENCE.

444. *Rai T. P. Mukherjee Bahadur: (a) Are the Government aware that in the "Warrant of Precedence" issued last year, no place has been given to the Members of Indian Legislatures which they had before?

(b) Will the Government be pleased to state the reasons for it?

The Honourable Sir Malcolm Hailey: (a) Yes. The Honourable Member however is mistaken in supposing that Members of the Indian Legislature as now constituted had a place in the old warrant. The fact that Members of the old Legislative Council were assigned a specific place was a relic of the position under which such Members were persons added to the Executive Council when it sat for Legislative purposes.

(b) It was desired to treat Members of the Legislature in India in exactly the same way as Members of the House of Commons in England who have no such precedence. The warrant is primarily intended to regulate the position of officials holding appointments in India.

Mr. J. Chaudhuri: I may mention for the information of the Honourable the Home Member that most of the Members of this House are not anxious for any warrants of precedence. My Honourable friend does not represent the sentiments of this House.

INCOME FROM SALE OF POST CARDS.

445. *Rai T. P. Mukherjee Bahadur: (a) Will the Government be pleased to state the amount of sale-proceeds of post cards from 1922 April to the present time and also the amount of sale-proceeds of post cards for the year 1920-21?

(b) Has the Government received the estimated amount budgeted last year by the sale-proceeds of post cards?

(c) If not, how much has it fallen short?

Colonel Sir Sydney Crookshank: (a) Separate information regarding the revenue from the sale of post cards is not available, but it may be stated that the gross amount realised from the sale of ordinary postage stamps and postal stationery of all kinds (excluding the amount attributable to telegraphic traffic) for the period from April to December, 1922, was Rs. 343-56 lakhs as compared with Rs. 280-55 lakhs for the corresponding period of 1921.

(b) and (c) As already stated, separate figures in respect of post cards are not available. The increase in revenue due to the enhancement of the postage rates on letters and post cards will probably fall short of the estimate by between 70 and 80 lakhs of rupees.

FREE RAILWAY PASSES.

446. *Sir Deva Prasad Sarvadhikary: (a) Is it a fact that all classes of officers of the Railway Board are granted free passes as well as Privilege Ticket Orders over all Railways in India?

(b) If so, will the Government be pleased to state why and under what circumstances this special concession is granted to the Railway Board staff? Is this concession allowed to other employees of the Imperial Secretariat in other Departments?

(c) What is the total cost of the passes and P. T. Os. granted to the employees of the Railway Board during the last 12 months and how is this expenditure met? To what accounts are they debited in case of State Railways?

(d) Has the Government taken this factor into consideration in fixing the salary of the Railway Board's employees? If not, will the Government be pleased to state the reason for this preferential treatment?

(e) Will the Government be pleased to consider the question of extending this concession to their confrères in other Departments of the Government of India?

(f) Is Government aware that the staff of the Railway Board avail themselves of railway passes for the journeys of their families to their home and back and at the same time draw separation allowances during the Delhi Season, whereas the staff of the other Departments of the Government of India under similar circumstances do not enjoy this concession?

(g) If the answer to the above is in the affirmative, will the Government please explain the cause of this inequality?

Mr. C. D. M. Hindley: (a) Yes, subject to a limit of 2 passes per annum and at the discretion of Railway Administrations concerned.

(b) This is an ordinary condition of Railway service all over the world. It is not applicable to anyone outside the Railway Department.

(c) No money account is maintained and Government are therefore unable to state the cost.

(d) Yes.

(e) No, in view of what is stated in reply given to Part (a).

(f) Yes, subject to condition referred in reply to Part (a).

(g) As already stated the privilege is a usual incident of Railway service.

EXPENDITURE UNDER "SUPPLY AND SERVICES" AND "CONTINGENCIES."

447. ***Sir Deva Prasad Sarvadhikary:** Will the Government please lay on the table a statement showing:

(1) expenses during the last 3 years under the heading

(a) supply and services,

(b) contingencies.

(2) Is it not a fact that contingency expenditure has considerably increased?

The Honourable Sir Basil Blackett: (1) and (2) Full details of expenditure on supplies and services and contingencies will be found in the demand statements placed before this House.

EXPENDITURE ON LEAVE AND ALLOWANCES.

448. ***Sir Deva Prasad Sarvadhikary:** Would the Government please lay on the table a statement showing the:

(a) budget allotments and actual expenditure on leave and allowances during the last 3 years?

(b) what has been done with the balance under this head in each of the different departments?

The Honourable Sir Basil Blackett: (a) Separate figures of actual expenditure for leave allowances are not available as the expenditure is included under salaries in the accounts.

(b) The unspent balance of the budget grant for leave allowances would lapse unless reappropriated for other expenditure and the rules provide that such reappropriation cannot be made from the head "Salaries" without the sanction of the Finance Department.

EXPENDITURE OF DIFFERENT DEPARTMENTS.

449. ***Sir Deva Prasad Sarvadhikary:** Would the Government please lay on the table a statement for 3 years showing the expenditure for every year out of the budget allotments of the different departments during the last fortnight of March of every year?

The Honourable Sir Basil Blackett: I regret that it is not possible to furnish the information as the Government accounts are only kept month by month.

AUCTION SALE OF WAGONS OF UNCLAIMED COAL.

450. ***Mr. N. M. Joshi:** With reference to the answer given on 20th January, 1923, to starred question No. 204, will Government kindly ascertain and inform the House of the facts of the auction sale of wagons of unclaimed coal?

Mr. C. D. M. Hindley: Inquiry has been made and the result will be communicated to the Honourable Member in due course.

PERCENTAGE OF DEPRECIATION IN A FLOUR MILL.

451. ***Mr. Pyari Lal:** In the Income-tax Manual 1922, the percentage of depreciation given for a flour mill on page 42, is 6½. Will the Government be pleased to say for how many daily working hours is this percentage allowed?

The Honourable Sir Basil Blackett: The percentage is a fixed percentage for the trade and does not vary with the number of working hours.

PROFIT AND LOSS STATEMENT FOR INCOME-TAX PURPOSES.

452. ***Mr. Pyari Lal:** (a) Is the Government aware that the Income-tax Commissioner, Punjab, has approved the following three Firms of Accountants for the preparation of Profit and Loss statement for Income-tax purposes?

- (i) Messrs. Nisson Digneese & Co.
- (ii) Messrs. Basant Lal & Sons.
- (iii) Messrs. Aiyer & Co.

(b) Is the Government aware that the majority of the Indian Firms keep their Accounts in Hindi?

(c) Is it a fact that none of the approved Accountants undertake the audit of Hindi Accounts?

(d) Will the Government be pleased to state why the Firm of Messrs. Sodhbans & Co., Lahore, is excluded from the list of approved accountants?

(e) Will the Government be pleased to specify the considerations on which this approval is extended to practising Firms of certified Accountants?

(f) Is the Government aware that the inability of all the approved Accountants in Punjab, to audit Hindi Accounts has led to great inconvenience to those Firms who keep their Accounts in Hindi?

(g) Will the Government be pleased to reconsider the appointment of approved Accountants for Income-tax purposes in the Punjab with a view to include therein firms capable to audit Hindi Accounts?

The Honourable Sir Basil Blackett: The information is being called for and will be supplied to the Honourable Member as soon as available.

ELECTRIC INSTALLATION AT AMBALA.

453. ***Mr. Pyari Lal:** (a) Has the attention of the Government been drawn to an article in the *Cantonment Advocate* of 10th January, 1923, under the heading "Electric Installation at Ambala"?

(b) Is it a fact that a contribution of Rs. 60,000 has been made to the Ambala Electric Installation from the Cantonment Fund?

(c) Is it a fact that a sub-committee was appointed to suggest the portion of the Sadder Bazar where the Electric power was to be supplied, which submitted its report some six months ago?

(d) Will the Government give reasons why the Electric power has not yet been supplied to Sadder Bazar, whereas it has been supplied to the Mall Road, the Staff Road, etc.?

Mr. E. Burdon: (a) Yes.

(b) No.

(c) Yes.

(d) It has not yet been found practicable to supply electric power either to the Sadar Bazar or to the rest of the cantonment.

PURCHASE OF PETROL BY GOVERNMENT DEPARTMENTS.

454. ***Mr. R. A. Spence:** (1) In reference to the reply to question No. 354 on 16th February, 1923, will Government state the prices paid in Rangoon and Calcutta or Bombay by the Military authorities or the Postal Department for direct petrol supplies in the years 1915 to 1922?

(2) Has any Department of Government including the Military authorities, a direct contract with any of the oil companies for the supply of petrol, and if so, on what terms?

(3) Have Government at any time (a) approached the oil companies in India and Burma for special terms, and (b) invited tenders for the supply of petrol from companies operating in India, Burma and other parts of the world?

(4) Are Government aware that the Asiatic Petroleum Company who have no oil refinery in India or Burma effect large sales of petrol in India approximating it is commonly reported to over 30 per cent. of the total annual consumption?

(5) If the answer is in the affirmative has Government any information as to the source of the supplies and what import duty is collected thereon as it is noted from the reply to question 356, that the imports in 1921-22 only amounted to 1,848 gallons?

(6) Will Government consider making strong representations to the Burma Oil Company Limited, with a view to securing a substantial reduction on present prices?

(7) Have Government any information as to the cost of production of petrol in India and Burma and whether the declared value of Rs. 18,91,246 on the exports for 1921-22 equal to about $1\frac{1}{2}$ annas per gallon is a correct figure?

The Honourable Mr. C. A. Innes: 1 and 2. The military authorities do not think it advisable to disclose the prices at which their contracts have been placed, but I take the opportunity of correcting an error in my answer to the Honourable Member's question of the 16th February. Since that answer was given I have ascertained that apart from the rebate of excise duty the prices paid by the military authorities are slightly below the ordinary market rates for motor transport spirit in Calcutta. A statement is laid on the table showing the prices paid in Calcutta by the postal authorities since 1915.

3. (a) The Controller of Contracts has approached the oil companies.

(b) Tenders have been called for by State Railways and also at different times by the Post and Telegraph Department.

4 and 5. The Government are aware that petrol is sold in India by the Asiatic Petroleum Company and they understand that this petrol is obtained from Burma. No import duty is levied on such petrol.

6. As at present advised the Government doubt whether any useful purpose would be served by adopting this suggestion.

7. Government have no information as to the cost of the production. In respect of the latter part of this question the Honourable Member's attention is invited to the reply given to a similar question on January 15th last.

Mr. R. A. Spence: Is the motor spirit bought by the military what is known as commercial spirit,—is it petrol in tins or petrol supplied in bulk?

The Honourable Mr. C. A. Innes: There are two kinds—the motor transport spirit and the aviation spirit. In what form it is bought or sold, I do not know.

Mr. B. S. Kamat: With reference to sub-clause (2) of this question, is it a fact that the Petrol Companies allow a better discount to trades people than to the military authorities although the spirit supplied to the military authorities is much more in quantity than that taken up by the ordinary trades people?

The Honourable Mr. C. A. Innes: I have no exact information, but I understood the military got the benefit of the reduction in price given to all large bulk purchases.

ACQUISITION OF LAND FOR THE VIZAGAPATAM HARBOUR SCHEME.

455. ***Rai Bahadur G. C. Nag:** With reference to the answer given on 15th January, 1923, to unstarred question No. 40, is it a fact that the amount of Rs. 11,80,175 spent towards acquisition of land for the Vizagapatam Harbour Scheme to the end of 1921-22 has been met from borrowed funds and that interest thereon is and will be accumulating until the Scheme materializes; if so, why was land bought when the project itself is still under consideration?

Mr. C. D. M. Hindley: The answer to the first part of the question is in the affirmative; the object of acquiring the land was to prevent the inflation of the cost of the land by speculation which might lead to such an increase in the cost of the project as to seriously embarrass its further consideration.

RESEARCHES IN WIRELESS TELEGRAPHY AND TELEPHONY.

456. ***Mr. W. M. Hussanally:** (a) Is it a fact that Khan Bahadur Habibur Rahman Khan, M.R.I., M.I.M.E., has been for sometime past engaged in researches in Wireless Telegraphy and Telephony?

(b) Has he ever applied for Government help in the matter of his researches?

(c) If yes, what help have the Government so far extended to him?

(d) Is there any other gentleman to the knowledge of Government employed in the same direction in India?

Colonel Sir Sydney Crookshank: (a) Khan Bahadur Habibur Rahman Khan, M.R.I., M.I.M.E., has been a licensee of Government for the purpose of research on his own account in radio telegraphy and telephony since March 1922 but no information is available as to the use which has been made of the license.

(b) Yes.

(c) In April and October 1912 and again in May 1918 he was offered facilities to experiment in the Post and Telegraph Storeyard at Calcutta, but no advantage was taken of these offers.

In August 1920 he asked for a license and help in the way of apparatus and loan of staff and other expenses. He was granted "permission" to continue his "research" work but was told that no help of men or money could be guaranteed him.

In October 1920 he again asked for apparatus and expenses and was given the same reply.

In March 1921 he applied for a permit to purchase and import wireless apparatus but apparently was unable to purchase such.

Finally, in March 1922 he was the first person to whom a license was granted.

He recently sought further facilities and financial aid and was informed that such could only be considered if he would demonstrate the possibilities or utility of his alleged discoveries. It is understood that he is unwilling to afford such a demonstration.

(d) The direction of his experiments is unknown. Eleven other licensees of Government are in possession of experimental licenses.

Mr. K. Ahmed: May I hand over a pamphlet by Khan Bahadur Habibur Rahman Khan, whose services have already been recognised, but the importance of whose research work Government is neither fully aware of, nor has at all appreciated?

Colonel Sir Sydney Crookshank: I shall be very pleased to receive this pamphlet.

(Pamphlet was handed over by Mr. Ahmed.)

Mr. K. Ahmed: Will the Government be pleased to consider the desirability of granting any other additional help and monetary assistance to Khan Bahadur Habibur Rahman Khan in connection with the admirable researches which he is conducting?

Colonel Sir Sydney Crookshank: We are already in touch with this gentleman and we have asked him to tell us in what direction we can help him. He has not, so far, shown us how we can help in any way, and he is not prepared to state exactly what he wants. If he were to do so, we should be very pleased to help as far as possible, provided we did not go to any expense unless we saw that his research work was in a direction which was likely to be useful.

Mr. K. Ahmed: Is it not a fact, Sir, that in the correspondence which the Government of India had with him they informed him that he had made these researches and that he was within his rights in asking for monetary help of the Government similar to the research grants made to other people for research work on the same lines?

Colonel Sir Sydney Crookshank: Sir, I am not aware that Government has made any monetary advances to anybody else in this field of research. As I pointed out, every facility has been offered to this gentleman: he has been told that, if he wishes to go down to Karachi, he will be helped down there in the Wireless School. He has taken no advantage whatever of the offers which have been made to him.

Mr. K. Ahmed: Will the Government be pleased to inform this gentleman, Khan Bahadur Habibur Rahman Khan, that, in response to the appeal made to the Government of India, the Government are able to give him assistance in any way he desires?

Captain E. V. Sassoon: Sir, is it not a fact that the Government have offered to allow this gentleman an opportunity of proving his contentions and that he has not taken advantage of the offer of the Government?

Colonel Sir Sydney Crookshank: That is so.

POOLING OF WAGONS.

457. ***Mr. W. M. Hussanally** (a) Is it a fact that after the pooling of wagons was introduced on Indian Railways the East Indian and the Bengal-Nagpur lines have carried more traffic than before, whereas the other broad gauge lines have carried less in consequence of the pooling?

(b) Will Government please give the figures for all broad gauge lines from 1916-17 to 1921-22?

(c) Do these figures show that the first two lines have profited at the expense of the other lines?

Mr. C. D. M. Hindley: (a) The Honourable Member is referred to the answer given to Mr. K. C. Neogy to-day on the same subject.

(b) The figures are given in Volume II of the Railway Administration Reports, copies of which are available in the Library.

(c) No.

COST OF THE POOLING OF WAGONS.

458. ***Mr. W. M. Hussanally:** (a) What is the total cost per year of the pooling of wagons?

(b) Who bears the cost?

(c) Has the gain been commensurate with the cost? If so, how?

Mr. O. D. M. Hindley: (a) The estimated cost of the establishment for the direction of the wagon pool, which is also employed for certain accounting and statistical work, is Rs. 1,20,000 a year, excluding an initial outlay of Rs. 7,000 for the purchase of furniture, registers, etc.

(b) The expenditure is divisible between the railway administrations parties to the wagon pool.

(c) Yes. Because it has enabled Railways to make better use of the rolling stock available and thereby facilitated the movement of traffic.

EXTENSION OF THE DEOLALI CANTONMENT.

459. ***Mr. W. M. Hussanally:** (a) Is it a fact that the Cantonment of Deolali in the Bombay Presidency has been extended to the adjoining village of Bhugar?

(b) If so, when?

(c) Were objections invited from the residents of the village before the extension was sanctioned?

(d) Will Government be pleased to place on the table the correspondence relating to the extension?

2. (a) Is it a fact that on the representation of the people, they were excused payment of taxes levied in the Cantonment?

(b) Is it a fact that these taxes have been re-imposed on the villagers?

(c) If so, why?

(d) Will the Government be pleased to lay on the table the correspondence relating to the matter?

3. Is it a fact that in consequence of the re-levying of the taxes in question there is serious discontent among the people?

4. Is it a fact that they have in consequence observed *Hartal* for 45 days?

5. What do Government propose to do to allay the discontent?

Mr. E. Burdon: 1. (a) Yes.

(b) In November 1918.

(c), (d) and 2—5. The Government are making inquiries on the further points which are raised by these portions of the Honourable Member's question and I will communicate the result to the Honourable Member as soon as possible. When the correspondence has been concluded, I will also inform the Honourable Member whether that part of it to which he has referred can be laid upon the table.

HEDJAZ PILGRIMS AND REPATRIATION OF DESTITUTES.

460. ***Haji Wajihuddin:** Will the Government be pleased to lay on the table a statement showing the numbers of outgoing Hedjaz Pilgrims in each of the last 10 years, also the numbers in each year who were repatriated

at the expense of Government or public bodies with the amounts spent by the Government of India in each year?

The Honourable Mr. A. C. Chatterjee: In 1913-14 and 1914-15 the pilgrims numbered 16,838 and 11,700. From 1915-16 to 1918-19 owing to the war the number of pilgrims was very small. It amounted to 7,764 for the four years period. From 1919-20 to 1922-23 the numbers have been 12,121, 22,689, 10,854 and 12,550 respectively. The Government of India have not full information about the numbers repatriated from year to year. But 500 were so treated in 1921-22 at a cost to Government of Rs. 40,000. In 1922-23 the Central Haj Committee repatriated 1,054 persons at a cost of Rs. 29,664-11 as stated in my reply to a question on the subject put on 16th January 1923.

FIRING OF TIME GUN AT 12 NOON IN THE MEERUT CANTONMENT.

461. ***Haji Wajihuddin:** Will the Government be pleased to state (a) why firing of Gun at 12 noon has been stopped in Meerut Cantonment, (b) In how many other places this scheme has been adopted, (c) What amount is spent in each firing, (d) What amount was budgeted and how much spent during the year, (e) Why it was not stopped in Delhi?

Mr. E. Burdon: (a) So far as the Government of India are aware, no orders have been issued to stop the firing of the time gun in the Meerut Cantonment.

(b) and (c). No orders have been issued stopping the firing of time guns at any of the other stations for which these guns are normally authorised.

(c) Approximately Rs. 1/8 per round of blank ammunition but the cost depends on the nature of the ordnance used.

(d) Figures of the actual cost are not available, but approximately a sum of Rs. 50,000 is budgeted for.

SEPARATION OF SUDDER BAZAR FROM THE MEERUT CANTONMENT.

462. ***Haji Wajihuddin:** What has been decided regarding the separation of Sudder Bazar from the Cantonment of Meerut and whether the introduction of Hydro-Electric system under progress will be extended to Sudder Bazar?

Mr. E. Burdon: No decision has yet been arrived at on the question of the separation of the Sudder Bazar from the cantonment area. As regards the second part of the question, I stated on the 22nd September last in reply to the Honourable Member's question No. 228, that it had been decided that the Cantonment should not participate in the joint hydro-electric scheme. The separate cantonment scheme is still under consideration and it cannot yet be said whether it will be possible to include the Sudder Bazar in it or not.

MUHAMMADANS ON THE S. A. S. OF THE POST AND TELEGRAPH ACCOUNT DEPARTMENT.

463. ***Haji Wajihuddin:** Referring to the reply given to my interpellation on 25th January, 1922, will the Government be pleased to state whether any steps have since been taken to make the adequate representation of the Mohammadans on the Sub-Account Service of the Post and Telegraph Account Department?

The Honourable Sir Basil Blackett: The information is being collected and will be furnished to the Honourable Member as soon as possible.

RUINED MOSQUES AND GRAVEYARDS AROUND THE NEW SECRETARIAT BUILDINGS.

464. ***Haji Wajihuddin:** Will the Government be pleased to lay on the table a detailed statement showing location of all the ruined mosques and graveyards within a radius of 7 miles from New Secretariat Buildings under construction and whether a portion of or any of them has been demolished or sanction of repairs disallowed and if so, why?

The Honourable Sir Malcolm Hailey: The area specified comprises not only the whole of the present city of Delhi and its suburbs to the north, but also the sites of the six previous cities of Delhi beyond the Kutub to the south. In this area there are innumerable ruins of graveyards, mosques and tombs. Government are not prepared to undertake the expense of preparing such a detailed statement as the question indicates.

Mr. K. Ahmed: Is it not a fact, Sir, that the Honourable the Home Member, only last week, I suppose, promised when I handed over to him a vernacular circular printed in Urdu saying that there were demolitions of the mosques and disallowance of sanction by the Chief Commissioner of Delhi with regard to certain mosques?

The Honourable Sir Malcolm Hailey: The circular referred to certain allegations that the mosques were being demolished. The present question relates to the preparation of a survey of a very large area containing very numerous ruins. The two questions are not, I think, connected.

Mr. K. Ahmed: Do I understand, Sir, that the Honourable the Home Member is not keeping up his promise?

The Honourable Sir Malcolm Hailey: No, Sir; the Honourable Member must not understand that.

Mr. K. Ahmed: - Is it not a fact, Sir, that the Honourable Member did promise in this Assembly last week when I handed over that circular to him, that he will take proper steps to remove the anomaly?

The Honourable Sir Malcolm Hailey: I promised that I would make inquiry, and the inquiry is not yet complete.

OPENING OF PORT OF CALCUTTA FOR OUTGOING HEDJAZ PILGRIMS.

465. ***Haji Wajihuddin:** What arrangements are being made to have the port of Calcutta opened for the outgoing Hedjaz Pilgrims as was recommended by the Assembly in the last winter Session at Delhi?

The Honourable Mr. A. C. Chatterjee: The question is under consideration in consultation with the Government of Bengal.

Mr. K. Ahmed: Is there any arrangement, Sir, or any scheme set on foot or under contemplation for starting the port of Chittagong in Eastern Bengal?

The Honourable Mr. A. C. Chatterjee: This question does not arise.

DISTRICT HAJ COMMITTEES IN INDIA.

486. ***Haji Wajihuddin:** Will the Government be pleased to lay on the table a list of all District Haj Committees in India showing names of Chairman and Secretaries also the work done by each of them during the last 10 years, also the amount of funds available with them and the amounts of contributions (if any) given by them during the said period to help destitute Indian Pilgrims for return journey from Jeddah?

The Honourable Mr. A. C. Chatterjee: I understand that District Haj Committees have been formed by Local Governments in many provinces. The Government of India do not possess the detailed information required by the Honourable Member.

UNSTARRED QUESTIONS AND ANSWERS.

2ND CLASS WAITING ROOMS AT VICTORIA TERMINUS.

213. **Khan Bahadur Sarfaraz Hussain Khan:** (a) Is it a fact that the station Victoria Terminus on the G. I. P. Railway is not provided with 1st and 2nd class waiting rooms for gentlemen passengers?

(b) If so, why so, and

(c) Will the Government be pleased to state what action they propose to take to remove this grievance of the travelling public?

(d) Will the Government be pleased to state the number of 1st and 2nd class tickets sold at that station during the year 1921-22?

Mr. C. D. M. Hindley: (a), (b) and (c). I would refer the Honourable Member to the reply given on the 15th September 1921 to Question No. 197 asked by Mr. B. S. Kamat on the same subject.

(d) The number of first and second class tickets sold at the Victoria Terminus station during the year 1921-22 was as follows:

	1st Class.	2nd Class.
Passengers	47,415	180,015
Season tickets	345	4,928

GUARD OVER LANSDOWNE BRIDGE, SUKKUR.

214. **Mr. W. M. Hussanally:** (a) Is it a fact that the Lansdowne Railway bridge at Sukkur is being guarded by the military ever since the war?

(b) If so, is it a fact that there have been complaints against the guard interfering with men and women pedestrians over the bridge?

(c) Why is it necessary to maintain this guard now that the war is over?

(d) Who pays for the guard, the Army Department or the Railway?

(e) If a guard is necessary why cannot a guard of the Railway Police be substituted?

Mr. C. D. M. Hindley: The matter is under enquiry and a reply will be sent to the Honourable Member later.

CLOSING OF LANSDOWNE BRIDGE.

215. **Mr. W. M. Hussanally:** (a) Is it a fact that the Lansdowne Railway Bridge, Sukkur, is closed at 6 P.M. to vehicular and pedestrian traffic?

(b) Is it a fact that the public have made representations for extending the time of closure to 9 or 10 P.M.?

(c) Are the Government aware that the Indus at this point separates the two large and populous towns of Sukkur and Rohri, and that there is a considerable amount of vehicular and pedestrian traffic over the bridge?

(d) What are the objections to keeping the bridge open to such traffic up to 9 or 10 P.M.?

(e) If not, do the Government propose to issue orders that the convenience of the public be respected in this matter?

Mr. C. D. M. Hindley: (a) and (c). The reply is in the affirmative.

(b) No such representations have been received by any of the head offices of the railway.

(d) For the safety of the public no vehicular and pedestrian traffic can be permitted after dark.

(e) The convenience of the public is given every respect consistent with the safe use of the bridge as a means of railway communication.

LINKING OF BOMBAY AND KARACHI BY RAIL.

216. **Mr. W. M. Hussanally:** (a) Is it a fact that there was a proposal before the war to link Bombay and Karachi by a broad gauge of Railway through the Runn of Cutch or passing by the Rann?

(b) Is it a fact that the Rao of Cutch would not allow the railway to pass through his territory?

(c) Is it a fact that the project has been all along held up on that account?

(d) Have any efforts been made since to obtain his consent?

(e) If not, has the project been definitely given up?

(f) If so, which is the next best route proposed?

(g) Is there any likelihood of any such line being constructed within the next few years?

Mr. C. D. M. Hindley: The Honourable Member is referred to the reply given on the 22nd September 1921 to his unstarred question No. 9 on the same subject. The survey of the line has since been resumed and is now in progress.

BROAD GAUGE CONNECTION BETWEEN KARACHI AND DELHI.

217. **Mr. W. M. Hussanally:** (a) Was there any proposal to connect Karachi and Delhi by a broad gauge before the war by converting the J. B. Railway?

(b) Why was the proposal abandoned?

(c) Is there any likelihood of connecting Karachi with upper India within the present generation?

(d) What was the route then proposed and now finally adopted?

Mr. O. D. M. Hindley: (a) to (d). Karachi is already connected with Delhi by a Broad Gauge Railway. The practicability of providing a more direct connection has been the subject of investigations for several years. Two main alternatives have been considered, i.e., (a) the conversion of the metre gauge between Agra and Hyderabad and (b) conversion of the metre gauge between Hyderabad and Balotra in continuation of a new broad gauge line east of Balotra. No final decision as to the best alignment has been arrived at. The cost of either scheme would be very considerable and it is not possible for Government to say when funds will be available.

REFRESHMENT ROOMS ON N.-W. RAILWAY.

218. Mr. W. M. Hussanally: (a) How many Refreshment Rooms for Hindus and Mohamamadans are there on the N.-W. Railway?

(b) Was there formerly a Refreshment Room at Dadu? Has it been abolished now? If so, why?

(c) Is it proposed to re-open it again?

(d) Is there any Refreshment Room for Hindus or Mohamamadans in the Sind Section of N.-W. Railway?

(e) If not, do Government propose to open any at Rohri, Sukkur, Ruk, Shikarpur, Kotri, Hyderabad or Karachi?

Mr. O. D. M. Hindley: (a) There are eleven Hindu and ten Mohamadan refreshment rooms on the North-Western Railway.

For the names of the stations at which these rooms are provided the Honourable Member is referred to the North-Western Railway Time and Fare Table.

(b) and (c). Government have no information but enquiry will be made.

(d) The reply is in the negative.

(e) Government understand that it is proposed to open, in due course, refreshment rooms for Indians at Rohri, Ruk and Hyderabad.

CONTRACT OF REFRESHMENT ROOMS, N.-W. RAILWAY.

219. Mr. W. M. Hussanally: (a) Is it a fact that Messrs. Naser Wangee & Co. of Karachi, held the contract of Refreshment Rooms and Dining Cars on the N.-W. Railway for many years?

(b) Is it a fact that one Sheikh Jalalud-Deen had the Kotri Refreshment Room sub-let to him by Messrs. Naser Wangee & Co., and conducted the same for several years?

(c) Is it a fact that the Railway had leased to him the Tea Room at Jungshahi, which he conducted for several years?

(d) Is it a fact that the contract of Messrs. Naser Wangee & Co. was terminated recently? If so, why?

(e) Is it a fact that on termination of contract of the above firm no tenders or applications were invited from the public by advertisement or otherwise but the business was entrusted to a European firm of Madras?

(f) If so, why?

(g) What were the terms of the contract with Messrs. Naser Wangee & Co., and what are the terms of the contract with this new firm (Messrs. Spencer & Co.)?

(h) Was there no European or Anglo-Indian available all over Sind and Punjab, to be entrusted with this business, if a European was necessary?

(i) Is it a fact that when Messrs. Naser Wanjee & Co., were deprived of their business, Sheikh Jalalud-Din was not only deprived of Kotri but also of Jungshahi Tea Room which he held independently?

(j) If yes, what were the reasons?

(k) Is it a fact that he made several applications against the deprivation to the Railway but without effect?

(l) Is it a fact that since Messrs. Spencer & Co. have taken up the business there have been several complaints specially by Indian passengers against incivility and want of attention shown to them by their servants?

Mr. C. D. M. Hindley: (a) Yes.

(b) The Railway Authorities have no knowledge of this. Messrs. Naser Wanjee's contract contained a clause prohibiting subletting under the penalty of termination of contract.

(c) Sheikh Jalaludin worked Jungshahi tea room for some years on the usual arrangement for Khansamah run tea rooms subject to one month's notice.

(d) Yes. Messrs. Naser Wanjee and Company resigned giving 6 months' notice on the 20th May 1922.

(e) Yes.

(f) In the interests of the travelling public it was considered advisable to employ a firm with large resources and of known experience in successful railway catering.

(g) The agreement with Messrs. Naser Wanjee and Company was for an indefinite period subject to termination at 6 months' notice on either side and the agreement with Messrs. Spencer and Company has been drawn up on the same lines.

(h) A number of firms in the Punjab and elsewhere put in applications for the contract but it was given to Messrs. Spencer and Company, for the reasons mentioned in answer to (f) above.

(i) Messrs. Naser Wanjee and Company resigned—*vide* answer to (d) above. Sheikh Jalaludin was given notice at Jungshahi in October 1922.

(j) His services at Jungshahi were no longer required.

(k) No such applications have been received by the Agent, North-Western Railway. Sheikh Jalaludin, however, asked for a recommendation to Messrs. Spencer and Company, which was given, and it is understood that he is now in Messrs. Spencer's employment as Manager of one of their refreshment rooms.

(l) On the contrary, general satisfaction has been expressed at the marked improvement in the North-Western Railway catering arrangements.

RATES FOR CARRIAGE OF RAILWAY COAL.

220. **Mr. N. M. Joshi:** With reference to the answers given last month to unstarred questions Nos. 80 and 98, is it a fact that the rates for the

carriage of railway coal were reduced from 1st April, 1920, without any calculations having been made as to the net gain or loss to Government from the reduction?

Mr. C. D. M. Hindley: No. The rates for carriage of railway coal were not reduced on 1st April 1920 but the rates for public coal were increased from that date.

DR. GOUR'S MARRIAGE BILL.

221. Lala Girdharilal Agarwala: Will Dr. Gour be pleased to state whether his attention has been invited to a note in the *Nation* of Lahore, dated the 15th February, 1923, at page 2, headed "Dr. Gour's Marriage Bill—Delhi Hindus' Protest"?

Dr. H. S. Gour: The answer is in the negative.

INCHCAPE COMMITTEE'S REPORT.

Mr. T. V. Seshaguri Ayyar (Madras: Nominated Non-Official): May I ask the Leader of the House whether the Government will give us a special opportunity for discussing the Inchcape Committee's Report apart from the opportunities we may have of discussing along with the Budget?

The Honourable Sir Malcolm Hailey (Home Member): As the House is well aware it will be exceedingly difficult to give any time up till about the 25th or 26th of the present month, as all the days are fully engaged for discussions connected with the Budget. If we gave time after that, it would mean prolonging the sittings of the Assembly. I will, however, bear this in mind and see if it is in any way possible to make any arrangement. But I may say that Government thought that the best opportunity for discussion on the Inchcape Committee's Report would be in the course of the general discussions and during the discussions on the Demands for Grants.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform you that the Bill further to amend the Code of Criminal Procedure, 1898, the European Vagrancy Act, 1874, the Indian Limitation Act, 1908, and the Central Provinces Courts Act, 1917, in order to provide for the removal of certain existing discriminations between European British subjects and Indians in criminal trials and proceedings, which was passed by the Legislative Assembly at its meeting on the 21st February 1923, was passed by the Council of State at its meeting on the 1st March 1923 with the amendments indicated in the attached statement. The Council of State requests the concurrence of the Legislative Assembly in the amendments."

Sir, I lay on the table the Bill as amended by the Council of State.

GENERAL DISCUSSION ON THE BUDGET.

FIRST STAGE.

Mr. President: We shall now proceed to the general discussion of the Budget, and for the purposes of Rule 41, I appoint 15 minutes as the time-limit for speeches.

Dr. H. S. Gour (Nagpur Division : Non-Muhammadan) : Is it for to-day, Sir, or for to-day and to-morrow? Do I understand the Chair to appoint 15 minutes as the time-limit for speeches for to-day only or for to-day and to-morrow?

Mr. President: I see the Honourable Member has last year's precedent in his mind. I appoint 15 minutes for to-day.

Mr. S. C. Shahani (Sind Jagirdars and Zamindars : Landholders) : Sir, in the general discussion of this year's Budget, I must first give expression to my satisfaction with the character of the Budget generally. The budgets of the last five years have shown a deficit of 100 crores—a rake's progress undoubtedly to ruin. This year's Budget shows that the rake has realised his peril and begun the safe policy of balancing his revenue and expenditure. I am not going to content myself with singing the praises of the new budget, however carefully and well it has been squared. It will be my endeavour to-day to draw the attention of the Honourable the Finance Member to what have appeared to me to be the chief defects in the Budget of the present year. The first unsatisfactory feature of the Budget, according to me, is that the rake is squaring his budget by taxing the poorest man. The general position that has been assumed is unexceptionable, namely, that the annual expenditure of India must come out of the savings of the country, whether on capital or revenue account. While no one will dispute this his general position, I think no one in the House will share the belief of the Honourable the Finance Member that the poor man in India has any margin of saving. The Finance Member is a new comer to India, if undoubtedly a very able new comer. I trust that he will take due note of the local conditions and quickly realise that the poor man in this country is indeed very badly off. It ought to be no news to him, for he must have generally acquainted himself by now with the actual condition of things here in India, when I come forward and say that most of the poor men in this country are already living a sub-human life. Judging from the condition of things on my own lands I must state that the poor people have often to go without two meals a day. They have no *pakka* or permanent houses to live in; they have no hospitals to go to when they fall ill; they have no mosque or temples to go to for daily prayers; and they have no schools for their children. This is the condition of things in India. So that when the budget is sought to be balanced by doubling the price of the poor man's salt, I must make bold to say that this is a very bad device. I think the best way to balance the budget would be to cancel the expected deficit of 4½ crores by making further cuts in the expenditure of the country. It is most gratifying to see that the Retrenchment Committee has been able to suggest a saving to the extent of 18 crores, (*A Voice* : "19½ crores") 19½ crores. But if we take into consideration the actual incorporation in the present budget of the reductions recommended by the Retrenchment Committee, we find that only 6½ crores have been reduced on the civil side and 5½ crores on the

military side, i.e., 7 crores less than the Committee's recommendation. I might here in this connection state that it is a matter for pride for the Honourable the last Finance Member that he was able to so properly constitute the Committee of Retrenchment. Lord Inchcape, the Chairman of the Committee, has been prominent for his persuasive qualities. He has persuaded our Commander-in-Chief, our able Commander-in-Chief who, we are happy, is not merely a soldier but a statesman, to consent to a reduction of numbers in the military forces, both British and Indian. But for this consent I think we would have found it very difficult indeed to get the War Office to accept the reduction. I am not sure that the War Office has yet accepted the reduction; but I do know that the great man who is just now presiding over the military affairs of India has consented to the reduction, and should therefore think that it would be difficult for the War Office to refuse to accept the recommendations that may be said to have been jointly put forward by Lord Inchcape and His Excellency the Commander-in-Chief. While I say it is a matter for gratification to see such a joint effort made for the reduction of military expenditure, I think it my duty to point out that the proposed reduction is yet very inadequate. India has so far gone in for a very wasteful military expenditure. In no other country I think is such a large standing army ready for war maintained; and it has to be recognised that this large standing force with no reserves is maintained for the purposes of safeguarding the imperial interests in Asia, although England does not undertake to share the expense. The system of no reserve forces in India should be discontinued as early as possible. It is a novel system which does not obtain anywhere else in the world. It is also essentially necessary that the territorial forces should be organised from among the citizens of India. The Government of India will be able to materially reduce its military expenditure only then. I mention all this in order to show that the poor man's salt should not be doubled in price, but that further cuts should be gone in for especially on the military side of expenditure. But let us for one moment assume that these further cuts are not possible. If they are not possible, then what should be done? I respectfully submit that the cotton import duty should be raised from 11 to 15 per cent. (*Cries of "No, no."*) I hear "No, no," but you, Sir, would permit my expressing my views. I know what happened last year in this connection, and I know the impression left then upon the country. In the face of a terrible deficit, a proposal had emanated from Government to raise the cotton import duty, which had been found to be paying, from 11 to 15 per cent. I say in the face of such a deficit this Government proposal was dropped by the House. Nay, the House in discussing it trifled with it. A Member went the length of suggesting that the duty be raised from 11 to 11½ per cent. and so on. The impression on the country generally, I must respectfully point out, is that the interests of India are being subordinated to those of Lancashire and this impression will only receive some kind of confirmation, if even this year the price of the poor man's salt is doubled, and the course left open to the Government of India to supplement its revenue by an enhancement of the cotton import duty is not adopted. I remember very well last year injury to the interests of the consumer in the shape of high prices was urged as being the one great objection to this course being adopted. I know this is the main shaft in the quiver of those having vested interests here to wound protection with. You remember only a few days ago the amendment on the fiscal policy of India of the Honourable Mr. Innes was passed, though it omitted all reference to the policy of protection which has been after such careful consideration recommended for adoption by the Fiscal

[Mr. S. C. Shahani.]

Commission. The Honourable Mr. Innes' ground was the one urged on the occasion of the debate on the enhancement of the cotton import duty by the Honourable Sir Campbell Rhodes, namely, that the interests of the consumer would suffer. I have got to point out that it is not a right view to contemplate a nation as being a body of consumers, rather than as a body of producers, that is to say, entities working in industry which while it supplies their needs also conduces to their growth by exercising their faculties. It is a wrong thing to imagine a nation as being merely a body of consumers. A vigorous national life will be impossible without industries; and for the sake of vigorous life, for the sake of our necessary growth in culture, skill and powers of united production, we ought to secure for ourselves, even at some sacrifice of material prosperity, the adoption of a bold national policy of industrialisation, which will not be possible at this stage if even reasonable import duties are not levied, and not levied on account of considerations which would be extraneous in their nature and which would not be in keeping with the real welfare of the people. This much for my first point. Then I pass on to the consideration of the Currency Exchange of the country, and of the attitude that has been assumed by the Finance Member in regard to this. As I have said, the Finance Member is a shrewd observer. He also has the reputation of being an expert in Currency and Exchange. He has in my opinion given us valid reasons for adopting just at this time a waiting policy. He says it would not be easy just now to stabilise the rupee-sterling exchange by fixing the rupee at 1s. 4d. True, but how about the intrinsic merits of this gold exchange standard. We expected some pronouncement upon it. Has it or has it not succeeded? Is it likely to succeed hereafter? My respectful submission is that our present Currency system of the gold exchange standard is essentially a managed system that is to say, it is operating in consequence of the interference of the Government by sale of Council Bills and Reverse Councils. The Government seeks to link the rupee to the pound sterling at the rate fixed by itself. It is obvious that so long as this system remains in force, the Secretary of State, if he be so minded, can use his powers of management and control to manipulate the system to serve interests other than our own. The system must therefore be changed. We have all known the stress which devolved upon the system from the rise in the price of silver and other causes and how it broke down under that stress during the war. If this managed system did break down during the war, it should, according to me, be vigorously attacked; and the Honourable the Finance Member should give us the benefit of his opinion whether or not the system which was pronounced by the Chamberlain Commission in 1913 as being a most scientific system is really so. My opinion is that it is high time that we reverted to the system that was recommended by the Fowler Committee in 1898, namely, the gold standard and gold currency with notes based on gold and rupee a token coin and not the gold exchange standard. Even if the Finance Minister comes to the conclusion that at the present time we ought not to revert to the gold standard and gold currency as recommended by the Fowler Committee, I would request a further expression of opinion from him with regard to the interference of the Secretary of State in our present currency system. He has often managed it, by the issue of Council Bills and by other methods of transferring money to England for the payment of Indian liabilities there to the detriment of our commercial and industrial interests. Is it not right then that this power of management and control should be transferred

to the High Commissioner who is now an Indian and who, I trust, will hereafter be an Indian. He is the accredited agent of the Government of India and he should have the power to manage the necessary transferences rather than the Secretary of State who should be shorn of his power of mischief. The proper function of the Secretary of State is the management and control of the administration of India, and surely it is no proper function of his to govern the issue of Council Bills or to direct the adoption of other measures relating to our currency policy. I would now refer to one other subject, namely, the provincial contributions, which have been discussed to a certain extent, in the new Budget. The Honourable the Finance Member has told us that the present is not the time to consider the reduction of the Provincial contributions. He, however, shrewdly refers to a recent pronouncement on this point by the Government of India. He tells us that the Government have very plainly laid it down that these provincial contributions shall be reduced and eventually extinguished. I feel thankful for this his statement. I should have liked it very much if he had added reasons as to why these provincial contributions should be abolished. My idea is that the provincial contributions should not be continued because of our goal which is autonomy or responsible Government, and for which separate finances are a necessity. So long as provincial contributions continue the Government of India will depend upon the Provincial Governments and will become their pensioner and the Provincial Governments on the other hand will suffer from interference from the needy Central Government. The sooner they are done away with the better. No doubt the first consideration is the covering of the deficit in the Budget.

Mr. President: The Honourable Member has exceeded his fifteen minutes.

Mr. S. O. Shahani: I will take only a minute more. It is a pity that no mention has been made of Education in the Finance Member's budget speech. If I refer to the condition of things in my own province, I find that but 20,000 rupees a year are spent on the higher education of my Province, and not more than 5,000 to the technical. This is to say the least a deplorable condition. Taxes raised by the State come back to the tax-payers in the shape of the education of their children. Look to what is being done in England and in other European countries or in America where Governments study the lasting welfare of the people. I would request the Honourable the Finance Member to turn his attention to the education under the control of the Central Government. The Government of India alone of all modern Governments has been unwilling to spend more than a mere pittance on higher education. If the present policy is continued, the consequences will make themselves painfully prominent for a long long time to come in the lowering of the culture and other mental equipment of the Indians.

Mr. R. A. Spence (Bombay: European): I trust that the Honourable the Finance Member will permit me to give him my tribute and to congratulate him on his first Budget speech. I think, Sir, that it is a good omen for the future that once again the burden of the finances of India are placed on the shoulders of one whose family has for generations served India and I trust that the connection of what I may call "service" families will long continue with India for the benefit of India. I also wish to join with him in the note of regret which he sounded that he who

[Mr. R. A. Spence.]

had sown in lean years, who had ploughed amongst storms and the rumblings of storms is not able to introduce a Budget which showed the results at least of his hard work. He had had the bad time before and when at last the good time came, he was not able to present his budget. Various papers have asked what is the most outstanding feature of this Budget? I think that the outstanding feature of this Budget is the readiness which the Government has shown to act on the wishes of the taxpayer and reduce expenditure, and whilst we feel a debt of gratitude to the Incheape Committee for what they have done and the way they have shown how we can reduce expenditure, I would ask this House not to forget the debt of gratitude which they owe to that hide-bound bureaucratic Government, the Government of India, who have shown themselves so ready even to anticipate the findings of the Incheape Committee. Sir, the Finance Member first reviewed the results of the year now drawing to a close, and it was, Sir, satisfactory to know that despite that drain on India—not the same drain as other people think—the drain of the import of bullion, the balance of trade in our favour was no less than 20 crores. But Sir, I must cross swords with him when he gives as his opinion the fact that the heavy duty on so-called luxury articles has not adversely affected the trades concerned. He doubts whether the duty of 30 per cent. is responsible for the practical stoppage of the trade in European motor cars and the substitution thereof of cheap American cars. Well, Sir, if he had been resident in India during the past year, if he had made his inquiries as I am sure he will do in the future, or if he had merely sat still and listened, he would have learnt that unquestionably this duty has affected the importation of cars. Why do the people of this country import cheap American cars? It is because they have to; because the duty compels them to, because the cheaper the car the less duty they have to pay. Motor traffic, Sir, in this country is a necessity and not a luxury. The Honourable the Finance Member in the same speech that he defended this tax of 30 per cent. on motor cars said that there was practically no limit to the amount of money which might be usefully spent on the development of transportation in India. He said it was limited mainly by the amount of capital available, and yet in his speech he defended the tax which is hampering the development of transportation in India. Sir, are we to look to that hoary annual, the migration to Simla, for the reason for classing motor cars as luxuries? Is it because the Government of India live in the clouds and do without motor cars for six months in the year that they look upon them as luxuries? If it is, then, Sir, I look forward to the day when Government will spend the hot weather in the cool Secretariat of Raisina. The Honourable the Finance Member when comparing the imports of motor cars in the past year with the year 1921-22 forgets the reasons for the very small import of cars in 1921-22, namely, that in that year the merchants in India were disposing of the very large accumulations of imports of the previous year, that is, the year 1920-21, when stocks valued at over 12 crores of rupees—compare that with last year—had been imported. And I think if he compares his figures with those of the year before that, 1919-20, the year when exchange was high, he will find that imports were four crores, considerably more than last year. I maintain that you cannot develop transportation in India with a duty of 30 per cent., and I hope that all those Members of this House who are interested in transportation in India will join with me in trying to get a reduction of this duty.

Sir, still sticking to the past, there is another bad tax which has been brought forward from the past and which I would like to see reduced. I refer to the tax of 15 per cent. on imported foodstuffs, by which I mean mainly tinned foodstuffs. These are a necessity to many people in the mofassal and if the importation of these tinned meats were encouraged there would probably be far less slaughter of animals for food in this country—I think that is an argument which ought to appeal to a lot of you—I think it is a very good argument, Sir, and it ought to appeal to the House. Then let us take another argument, the policy of the free breakfast table. That is a policy which has been adopted at Home, and, judging from the howls of "No, never" which I heard when a duty was proposed on salt, I should say it is a policy which is believed in in this country. It cannot be said, Sir, that a duty of 15 per cent. is put on imported foodstuffs for purposes of protection. There is no indigenous industry to be protected, and therefore, as it is not put on as a protective duty, I hope that all those who are in favour of protection will support me in asking for the reduction of this duty. Similarly, Sir, all those in favour of free trade ought also to support me.

Well, Sir, coming to the budget for this year, the Honourable the Finance Member stated that Government had reviewed the various proposals for new taxation which had been put forward last year and that one by one they had been rejected, and finally the Government had had to come on to the salt tax. Well, Sir, I was one of those who supported the salt tax last year, and despite the tone of this House I support it this year. The burden of taxation over many years has been laid on the shoulders of the middle classes and has been steadily reduced from the poor, the salt tax itself has been lowered. Now, why should not this tax be put on to the shoulders of everybody? It weighs on the poor but as a feather. It is about 12 annas a family. (A Voice: "Three annas a head.") Well, that is not so very burdensome. Anyhow Sir, this tax was proposed because the Honourable the Finance Member abhors a deficit just as much as nature abhors a vacuum. He is, I am convinced, an able strategist, and he is aware therefore of that fundamental rule that you must not merely plan an attack but also prepare a way of retreat. I hope, Sir, in the presence of the Commander-in-Chief that I have put that rule correctly. Well, Sir, I will give him two avenues of retreat in case his salt tax is thrown out. The first is one which we advocated last year and which I am sorry the Government did not see their way to accept. It is that hoary-headed annual the tax on silver. We are all agreed that India must be a free country as regards the transit of silver and so we propose that there should be a tax only on silver consumed in this country. Well, Sir, I can almost hear the Members of the Finance Department as they hear this old hoary-headed annual being put forward saying, "We do not like it." Far be it from me, Sir, to compare them to children, but may I remind them of their childish days when they said "I do not like it." It was nasty stuff, the medicine which they had to take, but it did them good; so also, Sir, will the tax on silver. The other avenue is concerned with petrol. At present there is an excise tax on petrol of six annas a gallon, and I suggest that that excise tax be abolished and that a tax be put on the production of petrol. Now, Sir, if a tax of 6

12 Noor, annas a gallon is put on the production of petrol, the amount of money that Government will get is double what they have at present. But as we are going to have a salt tax, and as we are going to have a silver tax, we do not want quite as much money as that; so I

[Mr. R. A. Spence.]

suggest that we should have a reduction in taxation for this country, and that this tax on the production of petrol should only be increased by 8 annas, and that would give Government just the same as at present. A tax of 8 annas on production all round would give Government the money that they get at present from the excise tax, that is, on the petrol annually consumed in this country, and people in India would benefit. If, however, Government reversed their present policy and put a tax on production of 6 annas a gallon, and gave a rebate on the petrol consumed in this country, then we should get the same figure. I do think, Sir, that the price of petrol in this country is far too high, and although I do not like slang, and the language of the late Prime Minister has not always appealed to me, I might mention here that Oil Companies are excellent "hen roosts." I hope, Sir, they will take the warning, and that they will reduce this burden which India has been labouring under as to the price of petrol. Sir, finally, I join in the Honourable Finance Member's appeal that we should courageously shoulder this Budget and, with the help of the increase in taxation which he has proposed, and with the help of the change in taxation which I have proposed, we should in this last Session of the first Legislative Assembly under India's reformed constitution make one long strong pull, all together, whatever we may be, Democrats, Moderates, Independents or even Labour, to join with him in squaring this deficit. And then we can go back to our provinces with a very glad message to them. Just think of what we can say to them! We can say, 'we have effected retrenchment, we have done that—, and by wise taxation, we have done away with deficits—well, a good bit of the taxation has been passed by this Assembly, and therefore it must be wise—we have dug deep the foundation for future surpluses, and we bring you the glad tidings that, because of our action, Provincial contributions are going to be reduced and done away with; and, because Provincial contributions are going to be reduced or done away with, Provincial taxation will be reduced, and if we bring to the provinces that message, I think, Sir, I can hear the reply:—' Well done, good and faithful servants, return thou to the next Assembly '.

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): Sir, in the first place I will join my Honourable friends who have just spoken in offering my congratulations to the Honourable Finance Member for the improved condition of the Budget which he has been able to produce and for the very impressive speech with which he has presented it to us. In the first place, Sir, I must confess that I found this year's Budget less gloomy than I apprehended and more satisfactory than I anticipated; and the main feature of the Budget, if I may say so, Sir, is that an honest effort has been made by the Government to reduce our expenses, to follow the policy of retrenchment for which this House has cried hoarse, and that they have taken the pains to give some effect to the recommendations of the Incheape Committee so far as they could in this short time at their disposal. While speaking of the Retrenchment Committee, I think I voice the view of this House and of my countrymen when I say that we are grateful to the Members of that Committee. Sir, it has been said, and said with a good deal of reason and justification, that Committees in this country were sometimes appointed by the Government or at the express wish of the people, but the object more or less has been to have a whitewash of the administrative policy, or to silence the people, if not to satisfy them. This much must now be said that

at any rate the Incheape Committee, for which this House is responsible, was formed with a different purpose altogether and great credit is due to the Honourable Sir Malcolm Hailey for his work in this connection. He ought to be congratulated, Sir, for having secured for that Committee the services of distinguished personages whose opinions will carry weight not only with the Government of India, with the people of India, but with all Governments in the world; and they have also made a very careful examination of our finances and our administrative policy and expenses. This was, I believe, the first examination of our financial circumstances, and they have acquitted themselves very creditably. Now, Sir, as has been said and as is so evident, the one thing in the Budget to which the people will have the greatest objection, as has been said and will be said repeatedly, is the proposed tax on salt. I might take you back a few years and say that, whatever the relative merits from a financial or revenue-producing standpoint may be, the salt tax has a history of its own. It was a tax, when the Government was absolutely bureaucratic, which was imposed upon the people and which was strongly protested against and criticised. My late lamented countryman, Mr. Gokhale, strongly agitated for the removal of this tax; and it must be said to his credit that it was he who got it reduced. Sir, even in those gloomy days of the war when everything was dark, the Government at the first, in the beginning, hesitated to re-impose the salt tax and it was towards the close that Sir William Meyer imposed, and that also I believe hesitatingly and reluctantly, a very small tax. And now, after the war is over, during peace times, when circumstances I believe have improved, to try and attempt to raise that tax by a hundred per cent. will certainly be protested against and will be resented by the people. But at the same time I would submit, Sir, that it will neither be advisable nor desirable to leave an uncovered deficit; and the only way to meet that deficit is either by further attempts at retrenchment or by fresh taxation. I think, Sir, that as long as the present conditions remain, as long as further efforts are not made by Government to raise the tax-paying capacity of the people, and to remove the economic distress under which the country is suffering, it will neither be advisable nor politic to impose any taxation whatever. Retrenchment, then, would be our whole remedy. Sir, the military expenses have been the subject of attack for many years past. We are glad to find, Sir, that the question of military expenses was permitted to be considered by the Incheape Committee, and we are glad that the Incheape Committee has made recommendations for some reductions in our military expenses. The Honourable the Finance Member has also gone a good way to accept the recommendations of the Committee in respect of the military expenditure, but, I submit, Sir, there is still room for reduction in that branch, and I believe with the sympathetic attitude of His Excellency the Commander-in-Chief and in consultation with the army authorities, it will still be possible to reduce the military expenditure so as to cover the deficit and to have no deficit at all in our next year's Budget.

Sir, several suggestions have been made by the Honourable Mr. Spence for fresh taxation. He proposes a tax on silver and on the production of petrol. I believe, Sir, there is a general feeling among my countrymen that there ought to be an export duty on petrol sent from this country, because we understand from reports in the press and from other sources that petrol produced in this country is sold at a much cheaper rate in Europe and America than it is sold in this country. Therefore, Sir, that is a source of revenue which will greatly help the Honourable the Finance

[Maulvi Abul Kasem.]

Member, and at the same time such a step will not be resented by the people of this country.

Then, Sir, I might say that there is great room for reduction of military expenditure by carrying out the policy which has been accepted by this House, I mean the Indianization of the Army. His Excellency the Commander-in-Chief has been pleased to say that some units in the Indian Army will be officered by Indians, and that should reduce our military burden to some extent, but I would go further and respectfully submit for his consideration that the experiment may be extended, and if the Indian units cannot be allowed to be completely officered by Indians, some Indian officers should be placed in every regiment both with a view to reduce the expenditure and also to Indianize the army. I would further submit, Sir, that my idea of the Indianization of the army is that gradually as circumstances, the safety of the country and efficiency would permit, Indianization should proceed by changing British units for Indian units. But in order to enable Indians to qualify themselves for offices in the army, I submit, Sir, that it is one of the essentials that we should have a Military College in this country, and I believe this House and my countrymen will gladly pay for the maintenance of that college.

Sir, it has been said that taxation, direct or indirect, is always unwelcome, but if we the people of India protest against fresh taxation, it is not on sentimental grounds, but because we think that we have reached the limit and any further taxation will be the last straw on the camel's back.

Before, I conclude, Sir, I would say that we in this House fully appreciate the endeavours made by the Honourable the Finance Member to produce such a satisfactory Budget, and I can assure him that he will have our support to make his Budget balance evenly so as to meet the revenue and expenditure as long as we can and as far as we can go without offending the country and without neglecting our trust and responsibility which we owe to the people whom we represent here. I trust, Sir, that he will be able, with the assistance of the other Departments of the Government, to further reduce the military expenditure and to make both ends meet. The office of the Finance Member is, I believe, the most arduous in the whole constitution of the Government. Every Department calls upon him to pay funds for its efficiency and for their wants. Some of these wants are no doubt reasonable and legitimate, but he has not sufficient money to meet all their demands, and therefore, Sir, his task is very hard; but I believe, Sir, in the person of the Honourable Sir Basil Blackett we have a man who can undertake the task and carry it out successfully. I hope and trust, Sir, that, if in the morning of his office he has been able to produce an improved Budget, when he lays down the reins of his high office he will be in a position to present a Budget so as to leave the finances of the country in a way which will enable the Government to reduce the economic distress of this country, and that he will leave the land and the people of this country which he was pleased to call his native land, happier, more contented and more satisfied than he found them.

Mr. Sambanda Mudaliar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I desire to offer a few remarks on the Budget presented by the Honourable Finance Member. Let me first thank the Honourable Finance Member on his lucidity and candour which characterised his speech. But it is a matter of great regret that the country is

confronted with a serious problem of finding ways and means to meet a deficit of 4½ crores of rupees for 1923-24. One may be inclined to be unduly critical of the Budget which the Finance Member placed before this Assembly but our thoughts should be sobered by wisdom and prudence. It will be remembered that year before last the Home Member who was in charge of finance said that notwithstanding the restrictions in regard to the vote of this House in respect of certain items of expenditure (non-votable), this House is invested with a real power in regard to the control of expenditure inasmuch as this House can give or withhold its assent to proposals of new taxation, where it becomes necessary, in consequence of the insufficiency of revenue. This House co-operated with the Government by acquiescing substantially in all their proposals for taxation in the expectation that revenue and expenditure will be so adjusted as not to leave a deficit. We see, however, that there is a considerable fall in our revenue and abnormal increase in our expenditure especially on the military side. The question for consideration is how best to meet this deficit. There are four ways of meeting the deficit, namely,—(1) cutting down expenditure, (2) borrowing, (3) increased taxation and (4) budgetting for a deficit. The Finance Member has clearly stated that it would be unwise to budget for a deficit and I concur in his view. In regard to borrowing, the Finance Member clearly stated that the Finance Department has been hard put to it in the task of financing the 100 crores of deficit accumulated in the past 5 years and that further borrowing may not be desirable. In dealing with this question, the Finance Member has told us how this deficit of 100 crores has been financed. He said that about 31 crores have been covered by the creation of paper money, representing nothing but the I. O. U.'s of the Government of India. The remainder amounting to 69 crores has been raised by borrowing. Moreover to the extent of 22 crores has thus far taken the form of issues of Treasury Bills to the public.

He has pointed out the dangers of financing further deficits either by the issue of unbacked currency notes or by an increase in the floating debt. He has further told us that the proceeds of Rupee or Sterling Loans should not be availed of for financing deficits but should be left free for financing existing capital liabilities and productive expenditure on our Railways. There is another method of financing a deficit by means of the issue of paper money without cover, but that is not a good expedient to be resorted to as it would lead to the debasing of the currency and consequent rise in prices. There remains the device of meeting the deficit by increase of taxation. The proposal of the Finance Member to increase the salt duty may be examined. In regard to the proposed increase in salt duty I am sure the whole country will protest with one voice. Salt is an article of necessity and no man, however poor, can afford to live without it. Besides, salt is required for feeding cattle. Salt duty is the one tax that is paid equally by the rich and poor in inverse proportion to their ability. The Finance Member wants to raise it by 100 per cent. at a stroke. This is a callous mockery of the poor. I am sure that the House will reject the proposal.

Then the only course left to make both ends meet in the Budget presented is the reduction of expenditure. The possibilities of economy in the civil and military expenditure of the Government have been completely exploited by the Retrenchment Committee, over which Lord Inchcape presided, and I am glad they have recommended a reduction of about 19 crores. From their report it will be seen that the field where economy could most be effected is in military expenditure. The provision made in the Budget under this heading is 62 crores as against Rs. 57,75,00,000

[Mr. Sambanda Mudaliar.]

recommended by the Inchoape Committee for 1923-24. The country cannot afford to bear this large military expenditure—21 million pounds; now it is 42 million pounds. There must be not only economy but there should be retrenchment also. The army should be Indianised. The army in India was organised for war against a first-class European military power. It is not likely in our time to have to wage war against a first class European power. The military problem in India at present is totally different from what it was some years back. It is now a question of protecting the Frontier and of assisting the civil in maintaining law and order. The Finance Member has not offered any excuse or justification for the inordinate proportion which the military expenditure bears to the total revenue. About 50 per cent. of the total revenue is absorbed in military expenditure. There is obviously no necessity for maintaining a huge army in the Frontier. The Afghan scare is over. Treaty with the Amir of Afghanistan was concluded. The trouble in Waziristan is almost over. These facts suggest the need for fresh exploration of ways and means to effect a substantial retrenchment in military expenditure. Under ordinary circumstances, an excessively cautious policy may not and should not meet with opposition. But the deplorable financial position of the country, the excessive poverty of the people and their inability to bear further burdens of taxation and the present unrest and discontent in the country render the situation so acute that a revision of the military policy has become imperatively urgent. It cannot be too often repeated that no nation can wisely allow its army to have the ordering of the Budget. According to the practice of every modern State, it is first for the nation to decide through its representatives how much it can afford to spend upon its defence; it is then for its military advisers to do the best they can within the prescribed limits. I devoutly wish that this principle should be accepted and acted upon by the Government.

The position, then, is this. We are presented with a veritable *non possumus*. I feel I shall be failing in my duty to my country if I do not oppose the proposal of additional taxation on salt put forward only to meet a deficit essentially due to an expenditure over which the Assembly has no control. Any additional taxation which would go to impoverish the people or hinder the industrial development of the country has to be strenuously opposed.

Let me have a brief say, before I resume my seat, in regard to the increase in railway fares and postal rates. Sir, you are aware that last year the Government increased the passenger fare on railways by 25 per cent. in spite of considerable opposition by the country and by many of the Honourable Members of this House. The Government in their anxiety to find money overlooked the fact that the increase in railway freight would hit the third class passengers who are generally poor and cannot afford to pay more. I understand that the income from passenger traffic has considerably fallen. Similarly, the increase in the postcard rate to half-anna and the letter rate to one anna was strenuously opposed. Honourable Members will remember that last year it was said on behalf of Government that even with the increase in the postal rates India enjoys the cheapest postal service in the world. But it must be admitted that India is a poor country and cannot be compared favourably with other wealthy countries in the world. I strongly appeal to the Honourable Finance Member to reduce the third class railway fares and the postcard rate, so that the *status quo* may be restored. To make up any

deficit that may occur, I would like to suggest an export duty of 6 annas per gallon on petrol exported from Burma to foreign countries. I hope this suggestion of mine will meet with the approval of the House. The Honourable Mr. Spence has already dwelt on this subject and I entirely agree with the views he expressed.

Lastly, I cannot but express my feeling of grave disappointment at the attitude of the Central Government not coming to the relief of such of the provincial Governments as are hard hit by their contributions to the Central Government. There was widespread expectation, before the budget was presented, that one of its features would be a welcome step towards the extinction of the provincial levies. I thought that there would be a commencement of reduction of the provincial contributions from this year, however small it may be, but my hopes were not realised. In our province, the Madras Presidency, there is a deficit of about 40 lakhs. Sir, our Presidency owes a debt of gratitude to the *Madras Mail* for its organised opposition to the levy of this unjust contribution. The Madras Government did not lag behind in their efforts to have the contribution entirely wiped out. In this fight, both Europeans and Indians joined together. All our combined efforts proved infructuous. Our Ministers are handicapped from carrying reforms in education, industries, irrigation and other vital matters by funds not being available. The sooner this knotty question is solved, the better it will be for the provinces. May I not appeal to the Honourable Finance Member to do something towards the relief of the provinces? I strongly urge for the consideration of Government that the first charge on any savings effected in pursuance of the recommendations of the Incheape Committee should be to afford relief to the provinces actually suffering from the iniquitous results of the notorious Meston Committee. This unholy loot must cease and this can surely be achieved by drastic cuts made from the military side of the Government of India.

Sir, the Honourable Mr. Spence suggested that a tax on cotton fabrics should be resorted to. But I think most of the Honourable Members here will agree with me when I say that this should not be done because it will affect the poor; the interest of the consumer is a matter of paramount importance to us. On the other hand, though perhaps many may not agree with me I would suggest that the excise duty may be increased.

Sir, I venture to place these considerations before the House and I hope they will meet with their acceptance.

Dr. Nand Lal (West Punjab: Non-Muhammadan): Sir, I admit that the speech of the Honourable the Finance Member is characterised by straightforwardness and candidness, but I am sorry to say that because it demands more money in the form of increased taxation, I do not welcome it. The Honourable the Finance Member should not repeat that he is a new-comer. I may say that he is a very honourable acquisition to the Government of India. Sir, the country expected that the people will be relieved, to some extent, of the existing taxation. Last year we were confronted with a number of questions from the people who sent us here. They asked, "What have you done for us? You have thrown a greater burden upon our shoulders." Then we held out promises to them that we shall try to see that they are relieved, substantially, of the burden. I am sorry to say that we shall have no favourable answer to give to them. I expected that this year's Budget would show that the people of this country, namely, the tax-payers, were relieved to a certain extent, but that hope has

[Dr. Nand Lal.]

not been realised at all. On the top of it we have been asked that an increased duty on salt may be imposed. I beg to differ from that suggestion. Sir, I know that the Government wants money for running the administration, and it is the duty of the people to supply Government with the money which is requisite. But in supplying that money it is the birth right of the people to suggest to the Government to run the administration on certain lines and to see that the Government machinery is worked economically and further that suggestions which are made in a true spirit and in an honest manner to the Government, are duly appreciated. Something should be done effectively to extend a favourable reply to the people to the effect that the Government realises the force of public opinion and that it will do its level best to see that the people's suggestions are accepted. Sir, when I turn my face to the various phases of the administration, I feel constrained to say that the result has not been up to our expectations, and there seems to be disappointment to a great extent. Take, for instance, the case of the Income-tax. Last year and the year before last we suggested that the people who pay Income-tax are feeling the burden very deeply and that they should be given some sort of relief. Our voice was not adequately heard, and an additional burden, in the form of further Income-tax, was imposed upon them. Now, we find that this year there is no reduction at all. We are not here to pay compliments. We are here to convey the views of the people to the Government of India. That is our duty, and I must say to the Treasury Bench, that the people of this country, especially the tax-payers, who are heavily burdened, expected some sort of relief, and they will be sorry to hear that there has been no reduction at all.

Now, Sir, adverting to the question of the North-West Frontier Province, the so-called Waziristan, which is considered to be "a white elephant", money is being spent there lavishly and whenever we raise our voices and say "Why don't you see that all these expenses are cut down? What is the necessity for them?", we are always told—and that is a stock answer—that the money which is spent in the North-West Frontier Province is in pursuance of a policy which is called the Waziristan policy, and is well spent, because, as a matter of fact, the North-West Frontier Province policy acts as a police service and it saves all India from a number of difficulties. That answer is given to us. Now, we ask, who are responsible for that policy? For how long is that policy going to be continued? When will that policy come to an end? You sent out a North-West Frontier Province Committee. They spent some weeks in their deliberations. The report is not out yet, though the country has been very anxiously awaiting the publication of that report. Questions have been put and answers have been given no doubt, but they have proved very discouraging answers. What is the condition of affairs in that country? You know there are raids upon raids, dacoities upon dacoities. I concede, however, that there has been some sort of decrease since last year. Sir, may I ask, what you have done to relieve the country of this standing menace? How can human beings live happily in that part of the country when there is dacoity after dacoity, murder after murder—diabolical acts on the part of certain clans who inhabit the part of the country, which you call Waziristan? You sometimes pay them in the form of an allowance. In some cases, you construct roads and the raiders use these very roads in making raids upon you. When are you going to put an end to that? Why should the tax-payers of India pay you for running that show? I suggest to the Government of India

that they should try to realise the weight of the suggestion which I am very respectfully offering to them.

Now, Sir, last year, on the occasion when there was a debate in connection with the Income-tax Department, it was submitted before this House that this separate Department, which you have created or opened to realise or collect income-tax would prove very expensive, and it had not got the support of the whole country at all. What has been the result? Have you gained anything? Do you know what are the feelings of the people who have been unduly taxed? They say that this separate Department which has been created is not only expensive but that it is also a standing terror to them and some of them have been put to great disgrace. Some Inspectors go round to have valuations of house property made, but in some cases, without making faithful and good inquiries they come back with wrong information and make reports accordingly saying that the value of the house is so much, that it is being used by the owner or occupant of the house, and that the owner or occupant of the house is liable for heavy tax. The most respectable merchants have got Muniyams and agents who are drawing respectable remuneration. They send their accounts to your Assessing Department and they are badly treated. They are disgraced. You ask them to make certain returns. Those returns are honestly and sincerely made and submitted to the Department which is called the Income-tax Assessing Department, but those returns are in some cases wrongly disbelieved, and then, in contravention of those statements which are made in those returns, the assesses are very heavily assessed.

Now, the assesses have observed the letter of the law. They have obeyed the provisions which are laid down in the Income-tax Act. They are respectable people,—tax-payers, the backbone of the finances of the Government, so to speak. Now, they are in some cases wrongly disbelieved and heavy taxation is imposed on them, heavier than it ought to have been. What are their feelings? They feel this separate department, which has been brought into being to collect income-tax, has been created to realise money unduly and to put them to difficulties. I have been in receipt of a number of letters from a number of merchants for whom I have the greatest respect. If I read the contents of some of the letters to you it would tax your patience. However, I am sure you will feel the greatest sympathy for the authors of those letters without my reading the contents. So, I throw out the suggestion before the House that they will advise the Government of India that the old machinery, which was in full association with the people of the country, may be brought back and the separate department be abolished, in the first place, because it is more expensive and, in the second place, because it is intolerable to the people.

Then, Sir, last year some of us raised our voices to ask you to be sympathetic towards your customers, the third class passengers. The first class passengers do not pay, on the other hand you spend something for their comforts. I think every Member of this House knows that first class passengers do not contribute any profit to the Railway Department; you incur expenses for them and they do not make any addition to your revenue but on the contrary, they take away money from you. It is the third class passenger who is the best customer. What have you done for him? What active measures have been adopted to see the condition of these poor third class passengers ameliorated? What have you done? You have got first class carriages in thousands. What increase have you made in the number of third class carriages? The answer which will be given is this that we

[Dr. Nand Lal.]

are in want of money and that no sooner our financial condition is better than we shall see that that want is first attended to, and that a fresh supply of carriages is requisitioned for. That answer will not do. The Government of India ought to have asked the Railway Department specially to take very effective measures in this direction and to give a proper response to the suggestion of this House, which response would have been considered as a true appreciation of the recommendation made and would have been taken as a sign of real, active sympathy with those dumb people. You have increased the railway fare. What gain have you got? Have you got any gain? Nothing. You have lost and your explanation is that the people were not used to it and by and by they will get used to that sort of payment and then there will be an increase in the revenue. I doubt that very much. Business ethics require that you should try to see what kind of rates will be the most attractive and what sort of business will pay and what will not pay. It is the third class passenger who pays the most, and he is comparatively poor. If there is any increase in the railway fares, naturally some of the third class passengers will discontinue using the railway. In consequence of their poverty, in consequence of their inability to meet your railway fares, they will walk from village to village and from place to place. Then where is your business talent, where is your business intelligence? This country is quite prepared to pay the expenses of the Government if Government will use that money in the right method; if the Government of India will try to safeguard the revenues in the best possible manner. The people of this country do not give you money which you are to spend lavishly and without exercising due discretion and intelligence. Excuse me saying that. I am voicing the feelings of the country. I am not here to flatter you but I am here to do my duty. Personally I have the sincerest respect for every Member who is in charge of the Departments which I have referred to, but here I have got to convey the message of the people. If I allow you to remain in darkness, I shall not only be failing in my duty, but also proving dishonest to you. What are the feelings of the country? What are the views of the people? Sir, I am here to echo them. They say that nothing has been done in the way of ameliorating their condition.

Mr. President: I must tell the Honourable Member that his time is exhausted.

Dr. Nand Lal: And so far as the question of increasing the duty on salt is concerned, the country seems to be averse to it. You must try to see that retrenchment is effected. I wish this budget were put before the House after the report of the Retrenchment Committee was published and something substantial would have been done to satisfy our people. They would have seen that we have done something for them and they would have thanked the Government of India. I hope the Honourable the Finance Member will try to see that the recommendations of the Retrenchment Committee are incorporated in the budget if possible, and given a practical shape, so that the people of this country may be relieved to some degree of the heavy burden which has been placed upon them both by the Government of India and by us. With these few words I close my remarks.

Mr. P. P. Giwala (Burma: Non-European): The Honourable the Finance Member has told us that he is a new-comer to this country. But I hope, Sir, that he has got all the credulity of a new-comer to this country, and if he has, he will believe me when I tell him a few things about his

Budget—what I may call the few recurrent phases of the Indian budget. Probably he knows them already, but there is no harm in my reminding him of them. First of all, every Indian budget is extremely orthodox in principle, secondly, it is a hand to mouth budget, and thirdly, and generally speaking, it is a rich man's budget on the whole. With regard to the orthodox character of the budget, I want to ask the Honourable the Finance Member whether in the history of taxation in India during the last 20 or 30 years any new principle of taxation suited to the requirements of the country has been introduced? The Indian budget is, on the whole, a servile copy of the principles of the British budget along the lines of least resistance. If England imposes super-tax we impose super-tax. If she has excess profits duty, we have excess profits duty. But I venture to suggest that we do it all apart from the conditions of the country. What takes place in the office of the Honourable the Finance Member every year when he prepares the revenue side of the budget I can well imagine. He sits in his chair. He has got three men generally with him. On his right is perhaps Mr. Cook, on his left is Mr. Ayyar and in front of him Mr. Sim. Then he asks "How much do these people require?" They say, "Oh! this year they want 80 crores of rupees only from taxation." "Is that so? What did they have last year?" "64 crores." "Very well. Give me a copy of the Tariff Act, a copy of the Income-tax Act and a copy of the Opium and the Salt Acts and a blue pencil." He takes the blue pencil in his hands and says, "Here 11 per cent. on this. No. I will put 15 per cent. That will give us 2 crores. Is that not so, Mr. Cook?" "Yes, approximately that." Mr. Sim then says, "Income-tax has been rather sterile these last few years. We will try a little super-tax on something," and he adds on something to the super-tax. Then he goes through the Opium and Salt Acts and the same process goes on until he thinks he has secured the additional sixteen crores. I submit that this is not the way in which any longer the Indian budget ought to be prepared. Every country in the world has at definite periods undertaken an examination of the taxation of the country with reference to the taxable capacity of the people. They have got figures and they study all the conditions with reference to the requirements of the country. I maintain that though the Finance Department claims to know every thing they have got no data upon which they can determine the taxation with reference to the taxable capacity of the people. There I submit is the orthodoxy of the Budget.

Now, as to its being a hand to mouth Budget. This is a more important circumstance and in this respect I think I shall cause some disappointment both to the Government and to my Honourable friend on this side of the House, for I do not propose to lay much stress on the question of retrenchment. I am a great believer in retrenchment to a certain limit but that limit must be sometimes reached and if we transgress that limit, the Government will have the fate of the Irishman's horse. This gentleman, as you may remember, wanted his horse to live on nothing. He gradually reduced his rations but on the day the horse learnt to live on nothing, he unfortunately died. That is what would happen to the Government in course of time if we get obsessed with the idea that nothing remains to be done except retrenchment in order to meet our expenditure. The time has arrived when we should look about for other sources of revenue and to extend the scope of those sources. If you examine the Honourable the Finance Member's Budget and his main heads, you will find that there are already signs of decay, if not of death in some of the items from which he derives his revenue. Take the Customs. Honourable Members on this

[Mr. P. P. Ginwala.]

side of the House suggested that the import duty on Customs be raised from 11 to 15 per cent. for protective purposes. My Honourable friend from Bombay suggested 2 annas on silver and various other things. But we forget that we have also adopted a policy of protection. Now, it is a well known principle of taxation that you cannot make those duties have a protective effect from which you wish to derive your revenue also. If we are going to have this protection, you are bound to lose your revenues from those protective duties and that is a factor which I submit has got to be taken into account. It will go a long way towards making your customs a diminishing source of revenue. Then take Opium. That ought to have disappeared long ago as a source of revenue and I hope, Sir, that whatever else the Honourable the Finance Member may do, he will get rid of this disgraceful source of revenue by which you obtain your money through the degradation of a very large number of your fellowmen in other parts of the world. That is a form of taxation which ought to be done away with as soon as possible. Then you have got the provincial contributions. We have been promised that they are dying or about to die. Of course, their death-knell has not yet been sounded but we hope that the Honourable the Finance Member will in course of time be able to get rid of them. Then what do we fall back on—Salt. We have heard from Dr. Nand Lal what the people think about salt and I do not wish to add much to it. Last of all we have to look to our Railways. There also we have adopted a change of policy. I am not in agreement with many of my Honourable colleagues on that aspect of the case and I may state this that however good it may be from the point of view of sentiment and patriotism, State management is, from the business point of view, unprofitable. We have made it a business of our lives, at least many of us on this side of the House, to criticise the bureaucracy, but I think the bureaucracy will admit that we have expiated all our sins by surrendering ourselves to them on this question of railways. They themselves admitted that they were incompetent as a business agency. We said "However incompetent you may be for other purposes, for business purposes you are very competent fellows." We handed over the railways to them. I venture to think that in course of time the railways which might have been a profitable proposition would be a losing concern and that if you do make them a profitable concern you will wring out the profits from the poor and that would be the worst way of indirect taxation that I can imagine. Therefore, Sir, my suggestion to the Honourable the Finance Member is that he should not only find some way by which he can provide by way of makeshift to make both ends meet by retrenchment on this side and a little additional taxation on the other, but he must devise some policy by which the future revenues of this country may be placed on a more satisfactory basis and we cease to live from hand to mouth as we have done for many a long year in the past.

Then about the third point. I said at the beginning that every Indian Budget was essentially the budget of the rich and I stick to that proposition. You examine your sources of taxation, I have already enumerated them. So far I am merely talking the Central Revenues. I am not concerned with the provinces. In the Central Revenues the only direct form of taxation that you have is income-tax. That is paid by 200,000 people. I believe roughly speaking out of 330 millions. The rest of it is indirect taxation. Indirect taxation necessarily means the taxation of the poorer classes of the community. You tax their food. You tax their clothing

by increased tariff duties. You tax their matches. You tax their kerosine oil. You tax their salt and you want to increase the tax on that salt. Now the poorest man in the country has got to pay a tax on these commodities I have mentioned. The rich man may pay, less or more on these same commodities but I venture to say that he does not pay more in proportion to his wealth than the poorest man does. Therefore, the time has arrived, when the Honourable the Finance Member should inquire into the whole question and spread his net as wide as possible. You cannot expect to derive all your direct taxation only from 200,000 people. There are heaps of men who derive fortunes from what they call agriculture. Now, it is not my intention that the poorest agriculturist should be taxed. He would come within the limit that is prescribed by the law as the lowest limit. But why should a man who owns a hundred thousand acres of land, who does not pay himself a pie of land revenue out of his pocket, who invests his saving, if he does, in Government paper free from income-tax, escape the payment of Income-tax? I hear whispers in the

1 P.M.

House suggesting that they do not get anything out of their land. (A Voice: "I say they do not escape taxation.") I venture to say that they do escape taxation. The man at the top is probably the sixth man from the bottom. The man at the bottom pays land revenues and the other five men who do not do the least bit of work on the soil escape all income-tax. I submit, Sir, that that is a vicious principle. If income is to be taxed at all, it ought to be taxed apart from the source from which it is derived, subject, as I have said to the minimum which is prescribed as not liable to income-tax in all civilized countries which is different from the minimum prescribed by our law. How is your minimum in this country? A man may have four wives and may have four children apiece by them; he pays the same income-tax as the improvident bachelor who has no wife and no children. This is only one of many directions in which the Income-tax Act requires close scrutiny.

Take another source of revenue which has not yet been tapped though it is the intention no doubt to tap it, and that is death duties. I do not see why when I die my son who may inherit Rs. 5,000 has got to pay Rs. 100 or Rs. 150 to the Government, whereas the son of any one of these Honourable gentlemen who may inherit a million escapes entirely, if he is a Hindu or a Muhammadan. (Rao Bahadur T. Rangachariar: "He does not inherit.") He does not inherit but he succeeds to the estate. I submit, Sir, that that is a mere trifling with words. Why should they escape when we are made to pay? There is racial distinction if you like. We are fighting for the removal of racial distinctions; let us fight on this point and remove the grievance of the Hindu or the Muhammadan that he is left out of his share of payment to the exchequer. (Hear, hear.)

Sir, there is one other question I would like to ask the Honourable the Finance Member. It is claimed that we cannot maintain our army just now at least under 50 or 60 per cent. of our total revenues. Who gets the protection from this army? Is it the people from whom you get the largest bulk of your revenues? Or is it the wealthy landowner, the wealthy merchant or the wealthy money-lender? And who in proportion to his means pays so small a share of taxation to the country? If he wants this protection he must be made to pay for it. The proletariat of the country do not require the maintenance of peace and order, for in disorder they find their means of livelihood; in disorder they can loot

[Mr. P. P. Ginnwala.]

and they can plunder; they have nothing to lose. But the wealthy land-owner, who sits in his castle and looks at his estate, and the wealthy money-lender, who has, like him, the satisfaction of knowing that when he dies whatever happens, the fortune which he has made out of the poorer people, will be left untouched by the Government. Sir, these are the persons for whom you are providing this army, and you must make them pay. First, I say, tax their income; secondly, tax their savings by imposing death duties and thirdly, tax their luxuries. Why should they not pay for their luxuries? I am made to pay. If I buy a hat I have to pay three annas extra in every rupee, but my Honourable friend on my right (Mr. Jannadas Dwarkadas) who wears a golden turban pays nothing extra for it.

Sir, I appeal to the Honourable the Finance Member to lay the foundations of his future finance deep and broad. He must make every man pay who ought to pay, but no man ought to be made to carry a bigger burden than his shoulders can bear. That ought to be the basis of his future financial policy and if he succeeds in carrying out that policy I have no doubt that when he leaves the country he will be always remembered not only as an honoured statesman but also as a successful financier.

Maulvi Miyan Asjad-ul-lah (Bhagalpore Division: Muhammadan): (The Honourable Member spoke in the Vernacular.*)

Mr. P. E. Percival (Bombay: Nominated Official): Sir, we have, as has already been stated, three alternatives for consideration before us now. The first is a further reduction of expenditure beyond the proposals made in the Budget, the second is to budget for a deficit; and the third is additional taxation, in order to equalize the Budget. Now, Sir, in regard to the first point, we have just had, as everyone knows, a most powerful and independent Committee on Retrenchment, which has gone into the whole question and has proposed most drastic reductions both on the civil and military side of the Budget. Now can it be reasonably said, when this matter is just before Government, and has not yet been considered by Government in consultation with the Secretary of State,—is it advisable or reasonable to suggest a further reduction in expenditure beyond even the reduction proposed by the Incheape Committee? Another point, to which I wish to refer and which has not been mentioned, is this, that it is not the case that Government have refused to make certain reductions; what the Honourable the Finance Member has said is that, owing to 'lag' and 'terminal charges,' it will not be possible to make a reduction till next year to the full extent of the Incheape Committee's proposals,—that is, up to the full extent of those proposals so far as they may be accepted by Government. So it seems to me that it would be futile to propose reductions in this particular Budget, whatever may be the case later on. It cannot be contended that the Budget should be equalized by further reductions in expenditure beyond that proposed by the Government, when these economies, which are to be effected in accordance with the proposals of the Incheape Committee, can only come into effect gradually and, to a large extent, in the following year. A large reduction is proposed this year, but still the whole amount, or the whole amount finally approved by Government, cannot possibly come into effect this year.

* The original speech together with an English translation will be printed in a later issue of these Debates.

The second alternative is that we should budget for a deficit. Now the Honourable the Finance Member, who, if I may be permitted to say so, has a worldwide reputation for knowledge of high finance and international exchanges and who has had the advantage of discussing the whole question with the leading financiers of the world at the League of Nations, has given a solemn warning that the country cannot go on with further deficits, that it will only bring the country into a morass, from which it will be extremely difficult to extract it, when it has once fallen in. Surely it is far better that we should prevent the country from falling into this state of affairs than to let it fall in and try to drag it out afterwards. But it is not merely the case that the Honourable the Finance Member has so warned the Assembly, but the Incheape Committee have also given a solemn warning to this Assembly. I will read their remarks, Sir. The Incheape Committee state that "if India is to remain solvent immediate steps must be taken to balance her budget." Therefore, however much we regret it, whether we like it or not, it seems to me that the only possible, the only logical, position that we can take now, is to balance the budget by increase of taxation. If we do not increase the salt tax, then let us balance the budget by some other taxation, which Honourable Members should not merely propose but should actually vote for and carry through the House. It is no use making proposals that are not going to be carried through the House, or not going to give us the additional 4½ crores required for the Budget. I do suggest that we should really carry proposals to make up this 4½ crores deficit and thereby balance the budget.

Now, Sir, there are one or two other points to which I would like to refer as being one of the Members of the all-India services. There is an opinion in the country, which I hope is not held in this House; you hear people in the country saying that the heavy increase of expenditure that has been incurred in recent years is due to large additions to the pay of the Imperial services. Now, Sir, there are two points which are overlooked here. The first point is that people who say this always overlook the fact that prices had vastly increased during the last 7 or 8 years. (A Voice: "They are falling.") They are falling now, but, according to the Incheape Committee, they are still 56 per cent. above the pre-war level. I entirely agree that, as prices come down, the enhancements of salary should come down; but, if Honourable Members will refer to page 283 of the Incheape Committee's Report, they will find that it is there stated that the average increase, if allowance is made for the abolition of exchange compensation allowance, in the all-India services, did not exceed 20 per cent. The members of the all-India services have got an increase of roughly 20 per cent., while prices as a matter of fact rose from 60 to 80 per cent. Sir Montagu Webb referred to the matter last year, and I think he stated that the increase of prices was not merely 60, the figure recently given by the Labour Bureau Office, Bombay, but was in fact more than that amount. Turning on to the next page of the Report of the Incheape Committee, we find that: "The cost of the subordinate services, i.e., Clerical, Industrial, Technical and menial, has increased by 121 per cent., due partly to additional staff but mainly to increased rates of pay." The point I wish to bring out is this, if we press for retrenchment, it must necessarily come from the lower-paid Indian services. I do not know whether Honourable Members wish this or not, but they have to remember the fact that the people who are going to be reduced and must be reduced are the lower-paid clerks and menials and other low-paid services. Another reason why it is necessary to do that is this fact, which

[Mr. P. E. Percival.]

some people do not realize, namely, the very small number of Europeans serving in India. On this point I would like to refer to the interesting remarks made by the Honourable Mr. Lawrence, the Finance Member of the Government of Bombay, in his recent Budget speech. He there mentioned that the number of Europeans belonging to the all-India services serving in the Bombay Presidency amounted to 370. Eight years ago the number was 430 but it is steadily decreasing. He also pointed out the very interesting fact that if for the whole of these European officials in the Bombay Presidency Indian officials were substituted at two-thirds of the pay of the former, the result would be that Government would secure a gain of only one-fourth of one per cent. of the annual income of the Bombay Presidency. I do not wish to go into the question of the Indianization of the services, I am in favour of Indianization; I always have been. But the point I wish to make is that the actual financial gain which the country is going to derive from doing away with Europeans and substituting Indians at two-thirds of their pay is a very small amount, when regarded simply from the point of view of the tax-payer. As a matter of fact, it would be impossible to get rid of all the Europeans at once. Suppose, however, for the sake of argument, we were to reduce one-fifth of the Europeans serving in the Bombay Presidency at once; in that case the gain would be only 1/20th or 1 per cent. of the annual income. These figures apply to Bombay, but no doubt similar figures could be obtained for other Provinces and for India as a whole.

The final point to which I should like to refer is that my Honourable friend, Mr. Abul Kasem called this additional taxation the last straw on the camel's back. I think my Honourable friends do not perhaps quite realise that India is very lightly taxed as compared with countries in a similar state of civilization. (*Cries of "No, no."*) Wait a minute, please. I can substantiate my statement by one or two figures. I do not wish to compare India with the United States, England or any other industrial country in the West; but I should just like to give one or two figures to show that India is lightly taxed when compared with countries which are similarly situated financially and economically. I do not guarantee that the figures I give are quite correct, and, if Honourable Members disagree with my figures, I shall be glad to accept them. These are the figures:

<i>India.</i>		
Population, excluding Indian States	.	217,000,000
Revenue	.	137,000,000
Average taxation	.	11 <i>rs.</i>
<i>Japan.</i>		
Population	.	57,000,000
Revenue	.	147,000,000
Average taxation	.	£2-12-0
<i>Turkey.</i>		
Population	.	38,000,000
Revenue	.	£1,000,000
Average taxation	.	£1-12-0
<i>Philippines.</i>		
Population	.	10,000,000
Revenue	.	19,000,000
Average taxation	.	£1-18-0
<i>Egypt.</i>		
Population	.	13,000,000
Revenue	.	23,000,000
Average taxation	.	£2-3-0

So it will be seen that for every rupee taken in taxation from each individual in India, in these other countries they take Rs. 3 or Rs. 4. As I have said, I do not guarantee the correctness of these figures, and let us take for the sake of argument that we are 50 per cent. wrong, even so we have it that individuals in these other countries pay either two or three times as much taxation as people do in India. The point is that India is not heavily taxed as compared with other countries which are in a similar state of financial and economic development. I submit, therefore, for these reasons that the 4 or 5 crores additional taxation proposed for India will not seriously injure the country; whereas, if we have another deficit, then it will do very great damage to the credit of the country.

-Chaudhri Shahab-ud-Din (East Central Punjab: Muhammadan): Sir, usually every speaker in this House begins or ends his remarks either by complimenting the speech of the Honourable the Finance Member and praising it as unexceptionable or by criticising it severely but I will do neither. I will say simply this much, that his speech elucidates the financial condition of India very thoroughly and clearly. India is a big Empire. People say they are very heavily taxed. I will accept their word for it. But may I ask whether they consider themselves heavily taxed, because their income is too small for the taxes they are paying, or whether they are more highly taxed as compared with the people of other countries? I think, Sir, India on the whole, whatever might be the opinion of the other members in this Hall, is not more heavily taxed than she ought to be. We want a democracy but we expect England or some other country to pay our expenditure. Democracy in all parts of the world is and has always been a very expensive form of Government. I think if India aspires to see its status raised, she must be prepared to pay every year a heavier tax than the previous year. (Cries of "No, no.") Allow me to proceed, I shall explain my meaning.

As regards the paying capacity of Indians, I admit that it is much lower than the paying capacity of the tax-payers of countries. Up till now India is, on the whole, an agricultural country, and as such it cannot bear a very heavy taxation. It is not an industrial country yet, but are we not striving to make it an industrial country? Do we not require capital for productive purposes? Should that capital be our own or should we borrow it and then re-pay it with interest? How shall we pay the principal and interest? By taxing the country or in some other way? No other country will pay for us. I think, considering the population of India, and the taxes people are paying, on the whole the country is not very heavily taxed. And if we want to raise our status, if we want to see ourselves compared favourably and honourably with the other civilized nations and countries, we must be prepared to pay more and more every year. I am aware that railway fares have been raised and probably the increase is pinching the common people. I mean the lower class people, but the passenger traffic has never been paying in any country. It is always the goods traffic which has been paying. (Cries of "No, no.") My position is that passenger traffic is seldom paying, while goods traffic is always paying and I maintain this without any fear of contradiction. Passenger traffic has to be maintained for the sake of maintaining it, but it is always the goods traffic which really pays. Now by all means reduce the railway fares and postage, and also reduce the military expenditure either by Indianizing the army or otherwise, but at the same time find money for maintaining the Government and its machinery. Where is that money to come from? My answer is, it must come from the pocket of the Indian tax-payer who must pay it willingly.

[Chaudhri Shahab-ud-Din.]

Now, the salt tax may not be a very desirable tax but it should be unhesitatingly imposed if it is necessary to do so. In my opinion the country should resent having to pay the tax. Some Members in this Hall may differ from me, but with due deference for their opinions, I stick to my own view. It is common knowledge that people are consuming daily cigars and cigarettes worth millions of rupees. Is not that a luxury? (*Rao Bahadur T. Rangachariar*: "I do not smoke.") I also do not smoke, but I do not resent or object to the salt tax. Possibly it is an undesirable tax and should not be imposed if we can help it. But if it is necessary to impose it, I see no reason why it should not be imposed. What can't be cured must be endured. In villages the agriculturist pays land revenue, and that is a direct form of tax, if it can be called a tax. But the menial, the village servant, and the agricultural labourer, is paying absolutely no direct tax. He is paying, no doubt, indirectly for matches, kerosine oil, etc., but in the shape of a direct tax he is paying absolutely no tax beyond what is called the chowkidari or village cess, and there can be no two opinions that in the villages the menials are much better off to-day than they were 20 or 30 years ago. Well, you may question it. I am speaking for my own province, and I can say without fear of contradiction that they are much better off to-day than they were 20 years back. If you go to their houses, you will find that, while, formerly they had only earthen vessels in which they used to cook and eat, now they have got utensils not of gold or silver, but of metal in all houses without an exception. I am talking of the Punjab and not Sind. In the Punjab, I think the labouring classes in the villages are much better off to-day than they were before and, if the salt tax has to be imposed, I see no reason why it should not be imposed. What will this tax come to? The $4\frac{1}{2}$ crores are to be distributed over a population of 300 millions. It will be about 3 annas per head per annum. Well, I think one pice per head per mensem is not a very heavy tax about which we should grumble. But I do not think that a strong case has been made out for imposing this tax. Of course, a case may be made out and the time may come when it will have to be imposed. (*An Honourable Member*: "I hope not.") You may not be here to say "I hope not". Probably it will be our successors in this Hall who shall have to impose the tax if it is not imposed this year. Perhaps the time has not yet come for imposing the tax because the small deficit of $4\frac{1}{2}$ crores can be met otherwise. The recommendations made by Lord Incheape's Committee have already suggested a reduction of 19½ crores, which will be effected gradually. It is possible that by a little retrenchment this small deficit may be easily met. I have not gone into the details but I have reason to believe that, if we were to put our heads together, we would be able to effect a retrenchment to the extent of $4\frac{1}{2}$ crores and thus save the country, at least for the present, from any further taxation. In every country and at all times taxes have always been a very irksome thing for the poor. He has never liked to pay, in fact no one has ever liked to pay a tax. Therefore, I would suggest that, if possible, the salt tax should be avoided. One of the speakers made some remarks about income from agriculture being taxed. Well, you may tax the agriculturist if you will, but for what? For protecting the towns people? I accept the principle that the rich people should pay taxes. Let rich people pay taxes. But what rich people? The urban or rural? In villages if we were left to ourselves, we would be able to manage our affairs. We wouldn't require much of the police or army. It is the towns people who require the army and police not only for maintaining peace and order but also for protection from dacoits. Villagers can protect themselves not against Waziris and

Mahsuds, but against their own countrymen. So, if you propose to impose the tax on agriculturists, I welcome the proposal provided that you pay for your own protection and we pay for our own. There is no reason why you should benefit from our tax. Sir, I think it is the urban people who are not sufficiently taxed. Mr. Ginwala's experience in Burma may be otherwise. I am talking of another province. If you want to tax the agriculturists, do so by all means. But let that tax be spent for their benefit and on their protection. We do not want all the luxuries that the people in towns require, and, therefore, we should not be called upon to pay for them. I may inform my Honourable friend from Burma that rural people are doing much more than urban people are doing for the country and the empire. Here, seated on these Benches under fans or before fires, you make laws, and impose taxes. But who gives their blood, when it comes to that? The urban people do not go to the front. In fact, they have never gone yet. You say, tax the agriculturist. They give both money and blood, while you give only money and that too grudgingly and yet seated in this Hall you say "tax them." Is it meant that the poor people, the agriculturists, who are the backbone of the country and the Government, must pay and the urban people must spend on themselves. If this is the case, it is most unfair, and I think any Government in the country, so long as it is strong enough to rule in the country, will see that such an injustice is not done. (Mr. P. P. Ginwala: "Quite right, that is what I want.") Dr. Nand Lal has made a very uncompromising tirade against the expenditure on Waziristan. I think there are better heads than mine in this Assembly who will have their say on this important question, but I think I also may be allowed to say a word on the point. I am expecting another very learned attack from my friend, Mr. Rangachariar, if I can anticipate him aright. (Rao Bahadur T. Rangachariar: "I am not going to make an attack.") Well, I am glad to learn he is not going to make an attack. I may say that in discussing Waziristan and Mahsud territories, and the Afridis and other tribes, all the Honourable Members, seated in this Assembly Room, know very little about the difficulties of the Government in regard to the transborder area and tribes. Go there, live there for some time, and see how difficult the situation is. It is very easy to say: "Oh! what has the Government been able to do?" Does history tell us that any Government at any time was able to do more than the present Government has done? No. Even Nadir Shaw with his army of 40 lakhs had to pay a ransom for a woman who was kidnapped from his camp. (Mr. S. C. Shahani: "G.") I accept your figure. But had he not to pay the Afridis despite that big army? Their geographical position is such, it is so advantageous that they can defy any authority on this or on the other side of their country. Some people say, "Well, why don't you occupy that territory?" Good, occupy it. But, have you got manhood, have you got money to conquer them? India must fight for at least 25 years with all its manhood and with all its resources to occupy that country which is dry like a bone and where there does not grow even a blade of grass. If this is worth trying, do try and occupy that rugged stony country if you can. Then and then alone you will be able to protect effectively the inhabitants of North-West Frontier Province. Otherwise, you can protect them only partially and not completely from the depredations of their trans-frontier neighbours. You cannot defy nature. Their natural position is such, they are so placed geographically that you cannot do more than adopt protective measures to the best of your ability and there can be no denying the fact that the Government is doing its level best. As regards expenditure on

[Chaudhri Shahab-ud-Din.]

the North-West Frontier, some people have always criticised it in this Hall. For the last three years we have been hearing speeches from responsible and irresponsible persons on this subject. Government is accused of wasting money on the frontier. I think the Members of Government are a set of sane people, they have not lost their heads yet. They are doing simply what they are obliged to do and nothing more than that. We must give them credit for that. I do not think they have got any sympathy for the Mahsuds, Waziris and others. There is nothing in common between a barbarous Mahsud and a civilised Englishman. It is by sheer force of necessity and compulsion that they are doing what they are doing on the frontier. As regards tendering advice, sitting here in this Assembly room, we may give any advice, but the best advice can be given only by those who live on the spot or who have got some personal experience. By merely paying Rs. 512 visit, as some of us did last year in motor cars under the protection of our army, one does not become an authority on frontier matters. You must go and live there on the spot and then, and then alone, you will be in a position to give a sound advice. The English officers, both civilian and military, are there on the spot. They know the position. The position is undoubtedly very difficult and it will be unjust and unfair on our part to criticise Government in season and out of season regarding the expenditure which is being incurred in protecting the five districts of the North-West Frontier Province from the raid of the bands of marauders. With these remarks, Sir, I will sit down.

The Assembly then adjourned for Lunch till Twenty Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes to Three of the Clock. Mr. President was in the Chair.

Sir Deva Prasad Sarvadhiary (Calcutta: Non-Muhammadan Urban): Sir, till a few minutes before lunch one thought that this year's budget debate was going to be dull and lifeless for intelligible reasons. The Income cuts have extended far not only to nation building activities but even to the extent of cutting the ground from under our feet. The usual platitudes and stock figures and arguments freely indulged in on the budget field days are all upset this year. They are not available for debate purposes, because of several disturbing factors. We had recently the Railway debate, the Fiscal debate, and last but not least, the Income Report. They are more or less stupefying, and are certainly upsetting worked up ideas. If Government had difficulty in dealing fully with Income Committee's recommendations in 15 days, much more have been our difficulties who are supposed to be able to master this Income Report in less than 72 hours. Therefore, there was a sort of masonic understanding in many parts of the House that instead of indulging in platitudes and generalities now we should let the debate proceed as best as it might and attack the real issues, the practical side of things, when opportunity comes later. I regret my Honourable friend Mr. Ginnwala is not now here. He gave a new turn to the course of the debate. His breezy original view of things always set forward when it suits his purpose, was a sort of red-herring which must have been very helpful and will be helpful to the Honourable the Finance Member if the line is taken up by other Members.

I hope that will not be the case. Fairly revolutionary in his ideas, some of his ideals if he was serious would not commend themselves to many. On the question of taxing agricultural income,—(public memory is proverbially short)—we have to remember not only the last year's debate on the subject at which open official voting took place and when almost the last word was supposed to be said on the subject. It was agreed that agricultural incomes would not be interfered with, if it could be helped. That question has a long history behind it. When income-tax first came, it came because it was felt that agriculturists and people interested in land were practically the only people who were paying anything like appreciable tax. Business people, officers and people making income otherwise were fairly exempt. There was a tremendous uproar against the proposal for the tax in the early seventies of the last century, or even earlier. In Lord Northbrooke's time there was practically a pact that agricultural income would not be interfered with. Since then there have been developments. Agricultural produce, if it took the shape of any business proposition, has been taxed and this original understanding has been otherwise circumvented. I do not know whether Mr. Ginnwala was airing his views about the necessity of having a Committee for considering taxing capabilities of the country. One could understand that if he did that in a direct fashion; but this is hardly the occasion to raise the question in this fashion. Mr. Ginnwala pleaded that he did not believe in retrenchment beyond a certain limit. Quite so. But I do not know whether he is satisfied that that limit or anything like it has been reached. On the other hand, if without impertinence one may say so, the man in the street, because it is he who really counts in these matters, feels that nearly all that could be done has not been done by the Incheape Committee for reasons that it is unnecessary to go into now. These are matters that one would like to leave over for another occasion in spite of Sir Malcolm Hailey's suggestion this morning that Budget debate would be a suitable occasion for the Incheape Report. Mr. Ginnwala rather forgot that he was responsible for the first step in the matter. It was on his initiative really that a retrenchment committee was resolved upon and came, and that credit is his. (Mr. P. P. Ginnwala: "No, I never said so.") Well, I am corrected. It was Dr. Gour's Resolution. Anyway the Retrenchment Committee came and has done its work as well as could be expected under the circumstances, though labouring under restricted cultural outlook. That has been the advantage, and that has, to a certain extent, been the difficulty attendant on the budget preparation this year and consideration of the Budget. Naturally, on account of the Report coming in so late, Government could not give full effect to all that has been recommended and "lags," to give currency to a new budget time coin, have to be reckoned with. But one must not lag behind far too much, lest one should lag for all time.

We do not want to complain, but we cannot help feeling that if immediately after the Resolution was carried a Committee had been appointed and they had gone into work earlier, speedier determination of the whole issues would have been possible. It is undoubtedly a great advance to have military expenditure cut down even by 10 crores if and when they come. One difficulty that I feel with regard to questions of further taxation is this. We have not positive information of the cuts that are going to be accepted as a whole by those who have the last word on the subject. The recommendations of the Esher Committee and the Military Requirements Committee are still awaiting decision in England.

[Sir Deva Prasad Sarvadhikary.]

There is a belief or impression abroad,—I hope it is entirely unfounded—that if this Assembly fails to do what is considered to be its duty either by voting for salt tax or otherwise balancing the budget, an awful catastrophe will follow in the shape of scrapping of some of the most important military recommendations of the Incheape Committee. I refuse to believe such a possibility. If they stand scrapped, why, the rest will naturally and necessarily fall through. From a telegram this morning, according to the *Times* there has been difference of opinion between Whitehall and Delhi regarding the Budget. Probably this has given colour to the belief to which I refer. But I am quite sure that there cannot be lack of vision or imagination to the extent that if the Assembly fails in the direction indicated anything like the apprehended catastrophe will follow. On the other hand our faith is large in statesmanship and also in the capacity of the Government here to make the two ends meet and to meet the purely temporary deficit that has arisen on account of the cuts not being given effect to in time. Possible alternative taxation has been referred to. We need not labour the points of taxation to-day. We shall do that in due time. Various proposals have been made; cotton export duty is one having regard particularly to what is happening in America now; import duty on silver, export duty on petrol, which at this very moment is finding disfavour in another Chamber, more import duty on the coarser counts of yarn, not much favoured as some others. Various other suggestions have been made which Government will have been to examine and may not again reject. They have fallen back on salt tax in connection with which some people would be inclined to raise constitutional questions whether the objections are not so much constitutional as those of expediency; after having done all that we did last year with regard to this tax and ultimately rejected it, is it fair to the Assembly to ask it to go over the whole ground again, particularly in view of the feeling prevailing in the country. The objection to it is not a matter merely of sentiments, nor is it pressed because the elections are ahead. For more solid reasons both sides of the House feel it their duty to oppose it. As was my duty to explain last year in the earlier part of my life I thought that salt duty was ideal, from the point of view of stock arguments that have always been advanced in its favour. I am therefore not troubled with difficulties that are generally attributed to those who oppose salt tax. I go upon the larger issues; now is not the time when further irritation should be caused in the country by what might easily be avoided if the civil and the military authorities will be more helpful. They have been undoubtedly more helpful than in other years. His Excellency the Commander-in-Chief has just come in. I should like to voice the unanimous sense of appreciation of this Assembly that he has assisted the Incheape Committee to an extent that has resulted in saving about 10 crores of rupees. Still one feels that more, even pending the final consideration of the question, may be done by which the immediate temporary difficulty may be tidied over.

We have to make up 4½ crores. Supposing we could get between cuts that are on the waiting list, so to call them, an additional two crores and a half, further assistance may be had by disposal of portions of the tremendous amount of accumulated stores, with about 60 crores, I believe indicated by the Incheape Committee. Even if the apprehensions of the Incheape Committee are well founded that immediate sale on good terms cannot be secured, there might be some relief in this direction. Then there

are the large contingencies, allowances, supply and services and other heads under which some cuts would be possible even now. Even the accepted cuts do not happen to be reflected in the detailed statements before us, nor are our Fiscal and Railway Resolutions. Mr. Ginwala is always frank. He has at last spoken out his real mind about railway policy this morning. He was asked by Munshi Iswar Saran on which side he voted. He may have erred in voting. That does not matter. What he has given expression to will be a warning to all who hope that railway revenue will ever come to the rescue of the country. It cannot and I believe it ought not. Be that as it may, our Resolution was passed and steps are probably being taken to carry out the Railway Resolution and the Fiscal Resolution of the Assembly and some of the Incheape Committee's recommendations. Pending this it ought to be possible to defer some of the big railway expenses that have been again budgeted on insufficient materials. Last year either because they had no scheme ready or on account of other reasons Government could not spend the whole allotment for Railway rehabilitation and the balance is to be carried over to this year. Let it not be, for you do not know that you are better prepared this year. Then as Sir Basil Blackett told us, the whole of the interest charges provided last year were not incurred. Between the last year's savings on railway and the interest charges there was some saving. There may be things like that again and up the capacious sleeves of the Department there are possibly means out of which the present small and temporary difficulties of the country may be tidied over.

Sir Basil has been complimented, and with that bait appeals have been made to him. I thought the Honourable the Leader of the House had effectively destroyed the microbe of eulogy in this House, earlier in the session. Though no healthy minded Englishman looks out for compliments or eulogiums on occasions of this kind, he is entitled to the consideration and courtesy due to a new comer, and we are prepared to give him more. But we also want him to examine over again this question of salt tax about which his veteran colleagues know what the country feels. We must see whether by further retrenchment and by some less objectionable taxation, (because no taxation can ever be wholly unobjectionable) and by disposing of some of the surplus stores, by selling and not mortgaging property in the sense that the Finance Member indicated, by means far short of cheating apprehended by him the would-be insolvent could get rid of his liabilities. All these different avenues have to be and could be yet exploited. It ought to be possible to find these 4½ crores; official negative cannot be the last word on the subject as we found last year. No one would be more pleased than myself to be associated in the evolution of this fourth red letter day in the short annals of the Assembly for participating in which the Finance Member has done me the honour of inviting the Budget must be balanced if possible. Coming to some of the details, we find that dealing with the military budget, more than general agreement has not been arrived at between the Government of India and the Home Authorities for which reason full effect has not been given with regard to the military units or parts of units that are to be dispensed with. We find also that there has been increases in the Royal Air Force which was probably necessary because on the efficiency of that force would depend the extent to which reduction in the other directions would be possible. Coming to the second item on page 5 of the military demand I notice and notice with regret that a reduction of 10 lakhs in the development of the territorial forces has been made. Well, Sir, when the Auxiliary and the Territorial forces

[Sir Deva Prasad Sarvadhikary.]

question came up before the late Council, we were given definitely to understand that both would be treated alike and all possible efforts will be made to develop the territorial forces. So far as Bengal is concerned, I am afraid I cannot bear testimony to the rapidity of that development or to facilities for that purpose. We have a sorry tale to tell which I would rather not go into now; but the materials are there. If means and will are forthcoming, much larger development would be possible and I do not think because of seeming failure here and of disappointment for the time being on the part of those who are organising these territorial units, there ought to be any lack of support such as reduction of funds would indicate.

The whole of the subject being still under consideration I do not think we could usefully take up the time of the House by going into details of the military budget beyond expressing the hope that either under the heads of motor transport and stores, or some of the costlier improvements in buildings or soldiers' comforts and such like things temporary and slight relief could not be given to tide over our passing difficulties.

With regard to the civil estimates the same remarks and request would apply. To a certain extent undoubtedly one has to wait for proper fruition of the recommendations in a legitimate way and things cannot be forced on. But here also, as a matter of extreme necessity, could we not appeal to the authorities to find about a crore or so out of the three crores which have to remain on the waiting list? If this is achieved and if the small taxes in the other directions that have been indicated are resorted to it would be possible to tide over the difficulties.

I am sorry that, before I left the military budget, I did not refer to what many of us have felt. In addition to the training colleges and schools that have been suggested, it is worth while considering whether special classes in selected general schools could not be opened, as has been done in England, with a view of providing at a comparatively small cost, at a large number of centres, materials for the special schools and colleges which cannot come to every body's front door. This has been found practicable in England and with very small expenditure and a great deal of capable and sympathetic organization it would be possible to work out a similar scheme here.

These are some of the observations that strike one on a general view of things and without closer study of the Incheape Report for which there has been no time. For greater and detailed consideration of what really should be done for tiding over the difficulties which the Assembly must entirely set its mind upon, we must wait for another opportunity. In the meantime I think it is our duty to let Government know that in both sides of the House the feeling against the salt tax is strong and it would be as well to think of the second or even the third line of defence so that deficits may be covered.

Rao Bahadur T. Rangachariar: (Madras City: Non-Muhammadian Urban): On an occasion like this it used to be the fashion to review the general administration of the country in all its aspects. But time being so short it is hardly worth while attempting such a huge task, and I therefore, Sir, propose to offer a few remarks on what impressions or depressions have been created in my mind with reference to the budget of this year. Sir, for the last two years it has been our fate to take depressions from the

presentation of the budgets, and it is the good fortune of my Honourable friend, Sir Basil Blackett, to give us more impressions than depressions. He comes at a time when our finances are attempting to steady themselves, thanks to the efforts made by this Assembly, the constant and determined attempt to bring down the expenditure of the country. Sir, there were not wanting those who were ready to tell His Excellency the Viceroy that the Assembly had misbehaved in this matter, that he must restore the grants which had been cut down and that the Government could not afford to follow the advice given by the Assembly. I hope, Sir, that the eminent people who offered that advice to His Excellency the Viceroy are now satisfied that the Assembly were perfectly justified in taking the stand which they did last year. It is a matter for great congratulation, indeed it is a matter for thankfulness on the part of the whole country that we had a strong Committee to sit on the expenditure of India presided over by such a great statesman as Lord Inchcape. He was assisted by eminent persons, both Indians and Europeans, who approached the question with a fresh mind; and the bottom limit which we were told last year had been reached in many a Department proves indeed to have a still deeper bottom to which you can go. Sir, the Honourable the Finance Member, unlike his predecessor who was drafted into this Department from outside the Civil Service, Sir Guy Fleetwood-Wilson, has youth on his side, unimpaired health and an equally well-established reputation for ability. With all that, from his reference to India as his native land, I gather that he is imbued with a love of the country, a love of the heat of this country and a love of the people of this country. Sir, imbued with that love and the times being so propitious, I am sure, with two good monsoons behind and I hope with two good monsoons in front of him, he will have a better tale to unfold at the next budget and the country will be relieved of some portion of the burden of taxation which we unfortunately had to impose upon it during the last two years. Sir, he may also congratulate himself that he has not got in this Assembly—with all respect to the Members present—to meet the incisive eloquence and informed criticism of a Gokhale, or the torrential eloquence of Pandit Madan Mohan Malaviya, or the emphatic utterances of Mr. Vijayaraghavachariar, or the journalistic thunder of Sir Surendra Nath Banerjee, which his predecessor had to face.

Sir, we have the year 1922-23 to review. So far as expectations went, I think they have been pretty fairly realized except in two or three matters which are rather striking. On the income side it is a grievous disappointment that Bengal has behaved so shabbily as it has done in the matter of income-tax. We have been told that we are to pay her 3½ crores in the shape of income-tax and not to collect from her; and I think that 3½ crores does not all represent the refund amount; it was really two crores which actually had to be refunded. Anyway our expectations fall short by 3½ crores in the matter of receipts. In the matter of estimates of expenditure, it is when we come to the Military Department presided over by His Excellency the Commander-in-Chief that we find estimates made which have proved far out of the truth. For instance, in the matter of demobilization charges—I do not know whether His Excellency the Commander-in-Chief is responsible or the Secretary of State—the estimate of 52 lakhs has gone up to 260 lakhs. I do not understand why there should be such wide divergence between the estimate and the actual. So also in the matter of the established military charges; the actual expenditure is Rs. 4½ crores less than the estimated expenditure on the established charges. We were told last year that they had to frame such high estimates

[Rao Bahadur T. Rangachariar.]

because of the rise in prices, but as a matter of fact the prices were falling last year, and when they framed such high estimates, the actual expenditure, when they based such estimates on high prices, their actuals have come down by Rs. 4½ crores in the matter of the established charges. Reviewing the condition of the country during the passing year, we cannot congratulate ourselves that trade has very much revived. Wherever you go, if you meet traders they speak of the depressed condition in the trades. Capital is very difficult to get; the rates of interest, both the bank rates and those in the market, continue to be high. General prosperity is very low. Railway earnings and the Postal and Telegraph Department tell their own tale in that direction, and most important items stand neglected; we have not been able to show any achievements in the nation-building Departments. There are sources of wealth which have not been tapped; we have forests and mineral wealth in the country for which Indians have not been educated and trained to work them up and bring out the wealth for the use of the country. The much-talked of school of mines at Dhanbad has still to come into existence, and I see that the Recrunchment Committee have proposed that that scheme should be held in abeyance for another two years; and I do not know that the wealth of the country has increased during the current year. It is true we are eking out a living existence. But we cannot show that any of our scholars have added to the literature of the world. None of our chemists, none of our inventions can be said to have added to the reputation of this country; so also regarding education in every direction, we cannot lay much flattering unction to our souls and say that our country has shown its strength in these matters; and with the deep insight which our Honourable Finance Member must now have got into the finances of this country, I had expected in his speech that he would have dealt with the economic condition of the country what story the figures tell him as to the economic condition of the ryot in this country and of the middle class people in this country; I had expected some criticism on his part, with the aid of the figures which he must have gone through very carefully. I suppose the speech on the Budget is not the occasion for any such revelation or disclosure to this Assembly as to what impressions in that direction they made on his mind. But we would have welcomed any such criticisms on his part as being informing and useful for us to turn our activities in the direction which he may have indicated. Sir, I had thought we had sung the last song in connection with military expenditure last year, but I am sorry to say that the time has not come for us to cease to sing in that direction. My Honourable friends speaking both this morning and this afternoon have been congratulating themselves too soon, I think, on the effects on the military expenditure so far achieved, on the result so far achieved. Sir, we were told last year that the time had not yet come, at any rate last year was not the time for making reductions because there was the Moplah trouble, that there was a doubtful factor in the interior conditions in the country, that the ink of the Afghanistan Treaty was not yet dry, that there was rise in prices, and various other doubtful interior and exterior factors, which induced His Excellency the Commander-in-Chief to take the view that the time was not yet for diminishing the strength of the units or the number of the fighting units in this country, but I hope His Excellency has now satisfied himself that he was rather too pessimistic in his estimation of the situation of the country. The country has behaved magnificently during the year, and the exterior borders have not given as much trouble as they used to, thanks to the efforts, the strenuous efforts

made by the Chief Commissioner of the North-West Frontier Province during the last year. I wish such efforts had been made in previous year; in fact if action had been taken in previous years in the direction in which Sir John Maffey took action, last year, the conditions in the frontier would have been much better. It was due to the neglect of the internal condition of the districts and of the people therein due to the vacillating policy which was adopted, due also to the policy of petting and fondling with the tribes across, that one heard of the unfortunate conditions in the North-West Frontier districts. But things being so much better than they were, I hope His Excellency the Commander-in-Chief will see his way to accepting the recommendations and to strongly recommend the adoption of the recommendations made by the Incheape Committee with reference to the fighting units in the military forces of this country. I find, Sir, that there is a fatal fascination for No. 62 in the Military Department. We began our career with 62 crores in 1921-22. We were told last year to budget for, or rather to agree to the allotment of 62 crores last year, although it was really 67.75 crores, and this year also we are told that the allotment is 62 crores! It is rather a fatal number, and I hope His Excellency the Commander-in-Chief will see his way to consenting to some other figure than 62, and I hope to be able to satisfy him that it is quite possible to adopt a much lesser figure than 62 (A Voice: "62.") Sir, if you compare the military expenditure in this country and either the gross revenue of the whole country or the net receipts or the gross revenue or the net receipts of the Central Government, the burden of expenditure is nothing which can compare favourably with any other country in the world. It was justified last year, as I have stated already, on false grounds. As a matter of fact, far from there having been a rise in prices, there was a fall in prices, so much so that the estimates fell by 190 lakhs,—the actuals fell by 190 lakhs less than the estimates for stores and stocks. Now Waziristan, after all, accounts only 3.85 crores. What about the rest? The rest is concerned in what is known as the established military charges. It is the established military charges that we should seek for further reduction in. Excluding the two uncertain items of the discharge of surplus officers and Waziristan, let us examine the figures. Sir, out of a recommendation for reduction made by the Incheape Committee of 13.95 crores, I find the military authorities have adopted only 5.75 crores for the next year's Budget. If the civil portion can adopt 6.6 crores out of 8.5 crores recommended, if the non-military portion can adopt 6.6 crores out of 8.5 crores recommended, why should the military not take off more for the coming year? If we examine it more closely, we find that in the matter of established charges there has really been no change effected in the coming year. In 1922-23 the established charges were budgeted for at 65.9 crores, whereas the actual was only 60.59, and for the year 1923-24, for established charges we are budgeting for 59.68—a difference of 90 lakhs. This difference of 90 lakhs is made up of, and in fact is more than made up by reductions in the marine and military works. Marine accounts for 62 lakhs, and the military accounts for 70 lakhs, so that the two together come to 132 lakhs, whereas in the established charges there is only a reduction of 90 lakhs. So that when you come to think of it, there has really been no effort made in reducing the established military charges. It is in that direction that reduction has to be made. Unless substantial reductions are made in the established military charges, the recurring charges are bound to continue. Waziristan is not going to be an eternal burden. The discharge of surplus officers is not going to be an ever-lasting question; but the established military charges are going to

[Rao Bahadur T. Rangachariar.]

be an eternal burden, and it is there recuts have to be made; it is there cuts have been recommended, and it is there, I am sorry to see, no effort has been made to reduce the expenditure. That is why I stated that my Honourable friends who have been congratulating His Excellency the Commander-in-Chief have been doing so too soon. Sir, reductions made are due to automatic causes, such as fall in prices, windfalls, namely, large stock of stores on hand due to war and other things. Such reductions are really no reductions for which we can take credit. Reductions due to reduced activities and real economies are the reductions we have to look for. Now let us see if you have done so. Have the number of Units been reduced? Has the strength of the Units been reduced? Has the proportion of officers to men been reduced? Have the command charges and those of the District Commands been reduced? Has there been any economy effected in transport? Has there been any change in the system of contracts by which you really introduce economy in the purchase of things? Has there been the substitution of the Indian agency for the more costly British agency? And has there been any real change of system? It is in these directions that we have to look for real reductions, and when I look for changes in these directions, I fail to trace any change—it may be my ignorance of the figures—but I fail to see any change in any of these directions. The figures do not disclose, nor do the marginal notes, which also I carefully searched, any such tendency. It may be, as I said, my ignorance of the figures, but I tried my best in the last two days in the spare hours I could get to find improvement in these directions, but I regret to say my search has been in vain. Sir, much also depends upon the determination of the policies, both as regards the frontier and as regards the Indianization of the services. These are matters, I know, in which His Excellency the Commander-in-Chief has not a free hand, nor for the matter of fact the Government of India—I am sure these matters will be dictated from elsewhere, but I hope the Government of India and His Excellency the Commander-in-Chief will put their heavy pressure in one direction and see that the country is relieved substantially in these directions.

Now I think the time has come for the Honourable the Finance Member, like the Chancellor of Exchequer in England to say, I will give you only so much, say 40 per cent. of our net revenue. I do not object to it. I daresay it will be admitted as a high percentage, but let it be 40 per cent. of our net revenues which we should give for the military and they must make their budget according to that. (Mr. Jamnadas Dwarkadas: "The Brussels Conference recommended 20 per cent.") I know, but I am prepared to go up to 40 per cent. Let the military be satisfied. I think the time has come for some such thing to be done, not by this Assembly because we are powerless in the matter, but I hope the Government of India will tell the military authorities 'thus far and no further and you must make your budget according to that amount.' That was done by the Geddes Committee.

Mr. President: Will the Honourable Member bring his remarks to a close?

Rao Bahadur T. Rangachariar: I will, Sir, in a moment. There are various other matters of policy which this Assembly has now settled, for instance the Fiscal policy, the railway management and so on. This leads me to another important matter. What are the Indian Members

of the Executive Council doing? Three of them there are. What portfolios are they in charge of? Are they going to be entrusted with the carrying out of any of these broad policies which the Assembly has laid down or is it to be left to be carried out by the conservative section in the Government of India? I wish, Sir, that an ambitious Indian will take charge of one of these important departments and see that the policy laid down by this Assembly is really carried out, so that it may not be said, as was said by Mr. Ginwala 'Oh, the railway management is going to be a failure.' Well, place it in the hands of an ambitious, youthful Member who will really put his heart and soul into it. I promise Mr. Ginwala that it will be a source of profit and the crores and crores which we have sunk in railways will be redeemed for the country. As I said already, Sir, this is a tempting occasion on which you can indulge in all sorts of things, but as I said the time is too short. I would therefore once more point out that we really need have no deficits. In the matter of Railways, the Retrenchment Committee have suggested a reduction of 4.59, and I see that the Railway Budget is taking credit only for 3 crores this year. What about transferring redemption of annuities to the capital amount? That will give you at least a crore to your credit. That may be transferred excluding the interest. Why should it not be added and also various other things such as the Secretary of State's expenditure in England? I see the Retrenchment Committee have advised considerable reduction in the Secretary of State's establishment. Why should it not be carried out this year? So also there are various other ways in which the 4 crores can be got, the military after giving up the figures of 62 can come to 58 or 59 or even 60, so that it will give us another 2 crores. The Railways can give us one crore, and the other civil establishments can give us another crore. I therefore think that we can certainly make up our budget without any deficit, and if really there is a deficit of one crore or more, by all means put an export duty on petrol. Make it that way instead of making the poor people pay, as my friend Mr. Ginwala suggested. I leave the landholders in the hands of my friend, Mr. Seshagiri Ayyar, against Mr. Ginwala. But I will say only this. Does he know that the Madras Government is carried on by the revenue paid by the landholders? Out of the 12 and odd crores they spend, nearly 9 crores come out of the landholders. Does he know that when other people pay 3 or 4 annas, as income-tax, we pay 9 annas in the rupee as tax? Let him take lessons in that direction instead of being envious of landholders. I can advise him to safely entrust his savings to me for investment in lands and I will render a true account to him and he will find that he will get less than 2 per cent.

Lala Girdharilal Agarwala (Agra Division: Non-Muhammadan Rural): Sir, I congratulate the Honourable Sir Basil Blackett and his staff for production of the insolvency budget for the ensuing year with great lucidity and clearness. Congratulations are no less due to the Honourable Sir Malcolm Hailey for his substantial help and guidance.

Poor India shall ever remain grateful to the Right Honourable Lord Incheape and every member of His Lordship's Committee for their Herculean labours in the line of retrenchment in her abnormal expenditure especially the military.

They rightly say "the expenditure which has been incurred in the past may have been inevitable, but the question is whether India can afford to maintain military expenditure on the present scale as an insurance against

[Lala Girdharilal Agarwala.]

future eventualities." "In our opinion," they say, "the repeated huge deficits of the last few years in spite of imposition of heavy new taxation have made it abundantly clear that India cannot afford this expenditure. So long as peace conditions obtained the first essential is for India to balance her budget and this can only be secured by a very substantial reduction in the military estimates."

It is surprising to find that in the British Infantry the peace strength of the army is more than the war strength. On comparing the figures we find in 1913-14 British officers 28, British other ranks 1,004, followers 37, total 1,059, while in 1922-23 we find the same number of British officers, 1,012 British other ranks, 45 Indian ranks, 73 followers, total 1,158.

The proposed strength for 1923-24 shows that while only 62 Indian officers with King's Commission in fighting units, cavalry, infantry and pioneers are to be appointed, the number of British officers is 3,324. Out of a total of 6,828 officers holding the King's Commission, not more than 66 places are reserved for Indians. Artillery, engineers, signals, armoured car companies are all barred against Indian commissioned officers.

The commissioned officer of the Royal Air Force 227, military training and education 222, remounts 21, even ordnance and clothing 100, veterinary 38, medical 780, supplies 200, mechanical transport 141, animal transport 63, army headquarters, headquarters of command, district and brigades, embarkation staff and railway transport staff 518 are all Europeans. May I ask why are not any Indians employed for these posts even now?

The reduced budgeted military expenditure still stands at the appalling figure of over 65 crores of which it is said 3 crores might perhaps be realised.

Rs. 4.25 crores have been allowed for special expenditure over Waziristan. India cannot afford the luxury of Waziristan any longer. The Government policy requires complete overhauling. India is groaning under the weight of heavy taxation and while in other countries taxes, duties and railway rates are on the decline, our country has unfortunately to double the duty on salt, what to say of reduction. India is being crushed under the steam hammer of local, provincial and Imperial taxation and instead of any relief being offered, it is proposed to raise a rupee loan of 25 crores, and a sterling loan of 15 million pounds.

His Excellency the Viceroy has taken the lead in economy by retrenching his own body guards and band thus saving Rs. 82,000. Thanks to His Excellency. In my province the Honourable the Ministers and the Deputy President of the Legislative Council, all Indians, have agreed to make substantial reductions in their salaries, and the Indian Member of the Executive Council of my provinces has agreed to forego his salary altogether. Their self-sacrifice is commendable.

The current year's deficit in the Central Government alone in India stands at the appalling figure of 17½ crores as compared with the British finances where revenue exceeds expenditure by 86 million pounds sterling. The bad financial condition of India and the present policy of the Government are the cause of heavy taxation which lead to widespread discontent in the country. I suggest export duty on petrol, instead of doubling the duty on salt, increase of duty on salt will be greatly resented in the country.

Mr. W. S. J. Willson (Bengal: European): Sir, my feeling upon the conclusion of the Honourable the Finance Member's speech was one of

profound satisfaction that the position was no worse. We had known all along that revenue was not coming up to expectation and we had known that expenses had been largely exceeded. We have now piled up the high debt of 100 crores, and I quite agree with the Finance Member that the time has come when we must balance our budget. We all know that money at 5 per cent. interest only doubles itself in 13 years and a fraction and we have been piling up this debt from the beginning for five years out of that time. It was, therefore, a great satisfaction to me to find that he was attempting to balance his budget by genuine retrenchment and had only suggested one extra tax. I am sure he will find the House will support him through thick and thin in all his efforts at retrenchment, and having recently had this very wonderful report of the Incheape Committee in our hands, the first thing that strikes us all is that we must look to our biggest spending department for our biggest retrenchment. I do not think anybody can read this through without realising that it took to get this retrenchment not what Mr. Rangachariar called a great statesman but one of the finest commercial brains in the British Empire. These retrenchments are suggested by a business Committee and therefore they are entitled in every way to our support. Sir Basil Blackett said that he would like to see the saving habit finding its way into an investment habit. My Honourable colleague, Mr. Darcy Lindsay, in some very good work which he did in propaganda in war time found in selling his post office cash certificates that there was a feeling against them on the part of the public because they were issued in single pieces of paper which were apt to get lost. I therefore make to Sir Basil Blackett a present of the suggestion that, if he can explore that matter and possibly issue cash certificates in the form of either a post office savings bank book which again might be deposited at the post office in exchange for a metal token he might be able to arrive at a higher percentage of investments on the part of the public. I regret very much, Sir, as one always must that he has found no means of reducing the taxation. Now, of course, we know that, when you have to balance the budget, that is the first duty, and until it is done, we cannot come and ask for grants for the nation-building departments. But I feel that I may ask for, as I am directed by my constituents to ask for, some consideration for the taxes on food-stuffs which press very hardly upon the public. That matter was dealt with this morning by Mr. Spence who pointed out very rightly that the public would not buy tinned food-stuffs and bottled food-stuffs imported into this country if fresh equivalents could be got here and I know of no more unpopular tax than the tax on food.

Another point that I am strongly to press for is for some consideration in regard to the motor taxes. That was also dealt with by Mr. Spence and as Sir Basil Blackett used the expression "so-called luxuries"—I think he does not call them luxuries and it is unnecessary to argue that point. But I do wish to point out that we have first of all to pay our income-tax and then to turn round and tax us on the motor cars which are used as a means to go to our offices and business to earn that income is extremely hard. Motors are a necessity, or firms would not, as they do, provide several for their staff to save their time and expedite their affairs. Sir Basil Blackett gave a figure. He said that he found imports last year were double the year before. The figures I have are only for 10 months of the year but they were 3,658 last year against 2,895 the year before.

The point I wish to make there is that the year before, 1921-22, was an extremely bad year and therefore, even if his figures are correct (which

[Mr. W. S. J. Willson.]

of course they ought to be), that the import has doubled, it in no sense shows that the taxes are not pressing hardly on the trade. This 30 per cent. tax has had the further effect of reducing the import of British cars, down to 10 per cent. of the total, it was 24 per cent. the year before. Now, the Customs House is supposed to be one of our commercial departments but it does not seem to me to be a very sound commercial principle to overcharge the cars which burn the most petrol, which pays you 6 annas a gallon and which used the biggest tyres which also produce most revenue. The tax has, in the opinion of the trade, directly resulted in making a present of the highest percentage of the trade to Canada and America and I am not aware what Canada or America have done for India that we should assist them to acquire the trade at the expense of the United Kingdom. The taxes have also pressed very hardly on the taxi cab industry and have reduced it to an absolutely unpayable proposition. The motor car firms are losing enormously. One firm in Calcutta lost 14 lakhs last year. Another one lost 8 lakhs and another 4 lakhs. They are losing all round and you have not to go very far from this House itself, to find a notable example in Delhi. On the question of petrol taxes, Sir, I am bound to agree with other speakers who have said that we would willingly see a production tax put on if thereby we can get some relief for the petrol tax we have to pay as consumers. On the whole, Sir, there is this one point I did not notice in the new Finance Member any particular sympathy towards this particular trade. But I hope the facts which I have now put before him will elicit his sympathy, and I hope he would give his consideration to those points, because I am convinced that it will not cause him loss of revenue which he is not in a position to face. I firmly believe that with this encouragement given to the trade, the added trade will more than compensate for a loss of percentage of tax.

Mr. K. Muppul Nayyar (West Coast and Nilgiris: Non-Muhammudan Rural): Mr. President, I have heard it said that a budget speech resembles, what we call in my part of the country, *aviyil*—a preparation of all kinds of vegetables cooked together. I, however, propose to make only a few general remarks on our position as revealed by the Honourable the Finance Member on the 1st. I listened to his speech with mingled feelings—*nam* feelings of pride, gladness, and some amount of satisfaction, at his courage, frankness, optimism and his endeavours to meet the present situation, and with feelings of disappointment, pain, and regret at his results and conclusions. None in this House, and largely outside it for the matter of that, will grudge him the sympathy that he so richly deserves on the sudden and almost superhuman uphill task with which he has been confronted almost in the very beginning of his present official career. And, if some of us on this side of the House fail to rise up to his expectations or to wholly endorse his conclusions, I am sure we can count on our Honourable colleague's viewing our position with equal sympathy. Sir, I agree there is little use in referring to the irreparable past. One could only wonder how the Government could have been in the past so utterly negligent of the future of this country, how they could have got into such a mire that dragged them deeper and deeper into it as year after year passed by. Only if wisdom had dictated a few years back some of the present reforms, how much happier would have been our position. But, there is no use crying over spilt milk. The fact remains that continuous years of annual deficit, of over-estimating our revenues and under-estimating our expenditure, of neglect in necessary economy and of large borrowings have stranded us on

the verge of insolvency which the Honourable the Finance Member warns us against. Our expenditure has gone up and our national debt has increased in spite of heavy additional taxation and we are now trying to see how we can get back to a place of comparative safety. Our grateful thanks are due to Lord Incheape and his Committee, who have acted as our guides in cutting a path, for their valuable suggestions in the matter of retrenchment, to the departments concerned for realising at least now the absolute necessity of agreeing to cuts and to the Finance Department for so quickly translating into action some of the proposed reforms.

But, in spite of all efforts what is our actual position. All the life of this House we allowed fresh taxation, and we had been a set of Micawbers. This year at least I hoped that we might approach the electorate saying, "We have made no fresh call on your purse." In fact, I hoped we might have shown them something on our credit side, something in the way of reduction in Provincial contributions which must indirectly benefit the people. On this subject, the Honourable the Finance Member first calls on the Provinces to exhaust all their resources; but, so far as Madras is concerned, no one will say that she has failed to do her best, not only now, but all along. He then says that it has been suggested to him that the Provinces are copying certain charitable bodies which make a habit of showing an annual deficit in order to make their supporters come to their rescue. But cannot the same argument be used by the Provinces? Cannot the Central Government be equally strongly accused of taking a leaf out of the book of the institutions referred to, so that the Provincial contributions, or the charities from the Provinces, may be continued? Why, I have heard it suggested that the present taxation proposal is only a false alarm and that the deficit is unreal—one which is made out that we may not cry out for any reduction in taxation or worry the Government with any of our schemes. But to come back to the point, as a matter of fact, not only has my second hope been most regretfully unfulfilled but even the former that of no fresh taxation this year has been shattered. We are actually asked to raise fresh taxation to the extent of 4½ crores and this on salt. Are we not already in darkness? Why then add to it? I say to the Honourable the Finance Member, "Let there be that one last, long and strong pull you demand, but from the heavy expenditure branches." If, even after that, taxation is found necessary, well, then, this House must co-operate with the Government. But do not make the test so hard for us. Let us tax something that is not quite so essential as salt, something which will not tell on man and beast equally, something which will not wound quite so much the popular feeling. Let there be no mistake. The non-co-operators, who are to be our rivals at the ensuing elections, are only doing this, we are told, to thwart the Government's efforts. They wish to come here with no good intentions towards the Government, and, in my opinion, they are not coming here in the best interests of this country. Let us not anyway present them now with a serious and effective weapon to attack our friends. One word more and I have done. If the Honourable the Finance Member and we put our heads together and avoid any fresh taxation and also at the same time manage to give something to the stricken Provinces, that, Sir, will be the fourth red letter day for which he is looking out.

Rai Bahadur Pandit J. L. Bhargava (Ambala Division: Non-Muhammadan): Sir, it would be an act of ungrateful stinginess if the Assembly withholds its acknowledgments to the Finance Member for the able and lucid manner in which he has presented the budget. It would at the same

[Rai Bahadur Pandit J. L. Bhargava.]

time be an act of unpardonable pusillanimity if the Assembly agrees to give the last and the strong pull appealed for, taking all the angularities of the budget rounded off by the pleasant suavity of the Finance Member.

Great hopes were raised in the country that the trident of Lord Inchcape will mutilate the demon of military expenditure and prune out the fungous growth of civil expenditure thereby bringing the financial position of India to a healthy level.

The appointment of such a renowned financial expert as we possess in the person of our distinguished Finance Member to the Finance Portfolio of the Government of India promised to us the solution of the currency and exchange difficulties and the rehabilitation of Indian finances on a sound and firm basis.

It must, however, speaking in the language of plainness itself, be stated that the hopes have received a shock and the rock of military expenditure has proved too adamant and hard to have been sufficiently impressed even by the sharp axe of Lord Inchcape and the firm grasp of our Finance Member.

In fact, the axiomatic truth that the straight line represents the least distance between two given points cannot be circumvented and howsoever clever the doctor you may engage, whatever expedients you may employ to put off the evil day, unless the root causes are removed the disease will grow desperate and desperate and end fatally.

The present exorbitant expenditure in the administration of India is bound to continue as long as the present system of administration continues and full responsible Government is not granted to the country and the services are not fully Indianised. The military expenditure alone absorbs about half the revenues. In the civil expenditure also, on account of the alleged indispensableness of the non-Indian agency the services are very highly paid and despite this the Royal Commission on services is thrust upon India in defiance of the wishes of the Legislature and perhaps of the Government of India.

This costly administration is popularly regarded as the *sine qua non* of bureaucratic rule. When the relations between the Government and the people are strained and both do not see eye to eye the employment of C. I. D. establishment on extensive scales and the engagement of military and police forces on a scale more excessive than a popular and national Government need employ are necessary consequences.

In spite of some superficial cuts at the hands of Lord Inchcape's Committee on the military expenditure the public believes that the military expenditure is much more than a national Government need incur in the interests of India and if the Indian Finances are to return to normal and healthy conditions the military expenditure must be considerably reduced.

It is not at all strange to find in the budget that the revenues from the railways have not come up to the estimates. An abnormal rise in railway fares and freights does not connote corresponding or necessarily much increased income.

The public expected that the fares and freights in railways and the postal and telegraphic charges would be reduced but they have been sorely disappointed.

The present deficit in the budget is very deplorable but the remedy suggested is much more so.

The doubling of the salt tax involves the taxation of the poor people in a commodity of their daily use.

To deprive or lessen the supply to the poor of the only thing other than grain consumed by him, *i.e.*, salt which is all by way of vegetables, condiments, *dal* and meat which he uses with his bread is to inflict an injury more real and substantial than that which those to whom the price of salt in their dietary is a matter of no moment can imagine. It is generally said that this House is not the true representative of the masses because the franchise is so limited. I would ask the House if it will be justified in taxing the poor who are unrepresented in that sense in this Assembly. Will the Assembly by consenting to such taxation not be pleading guilty to the charge that it does not look properly to the interests of the poor masses of the country? I would fain be charged with pusillanimity at not facing the issue in the face rather than be credited with gallantry by injuring my poor countrymen at their back.

If the deficit cannot be met in any way other than fresh taxation, tax the rich or the middle classes.

I am therefore strongly against the doubling of the salt tax.

As regards exchange I would press upon the attention of the Government that half remedies and make-shifts will not do.

We all remember the capricious changes in the exchange last year, how it ruined trade in India and eluded all calculations of the commercial classes doing incalculable injury to Indian finances and credit. If the question is not seriously tackled and solved under the able guidance of our present Finance Member one may have nothing but disappointment for its solution in the near future. I would therefore submit with all the emphasis at my command that this question may not be indefinitely postponed but immediately tried to be solved.

The only other subject which I would touch in the short time at my disposal is Provincial contribution.

Sir, on this subject I speak with some feeling. The Punjab from which province I have the privilege to come, has in spite of increased taxation and retrenchments shown a heavy deficit this year and the uneasy feeling is hard to conceal that the Punjab has not been fairly treated as regards these contributions.

It was expected that the Financial Member shall rise to the occasion and come to the rescue of the Punjab but we have been disappointed.

The Finance Member's prospective assurances will not avail us much and his call for loyal co-operation from all the provinces for hastening the day of release was hardly merited by us who have never spared men or money for the sake of Imperial concerns.

I do not think it is too much to hope that the claims of the Punjab in this connection will receive the due attention they deserve as soon as opportunity offers for the solution of the difficulty.

Mr. J. Chaudhuri (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I shall not indulge in any platitudes and in that respect I hope I shall not disappoint my Honourable friend, Sir Deva Prasad Sarvadhikary. I shall confine myself to the very simple issue that this budget can be balanced without a single pice of additional taxation. I look

[Mr. J. Chaudhuri.]

at the Honourable the Finance Member sitting on the opposite bench and I find crores concealed within his sleeves. Not only there, but I also look at His Excellency the Commander-in-Chief, who, in anticipation is shaking his head, he has also many a crore up his sleeves. I do not find my Honourable friend, Mr. Innes, who is hiding his lights somewhere in the corner, but he too has got some crores up his sleeves. But if they are not available just now, I am sure that they will be forthcoming before long. Now, Sir, the Honourable the Finance Member has no reason to take a pessimistic view and I do not believe that he takes a pessimistic view in his budget. He has used certain expressions which might create some alarm in the minds of the Members of the Assembly, but I shall disabuse them of it. As Finance Member, as a responsible Minister, he is bound to err on the side of caution. But my complaint against him is that he is overcautious. Sir, when two years ago the first Budget was placed before this reformed Council, we took a very despondent view, and to-day I see a ray of hope. No, not only that. I have reasons for robust hope, that we are not guiding the bark towards insolvency, but we are on the high road to solvency. I shall refer to a passage in the speech of my Honourable friend the Finance Member where he says:

"We should quickly get the boat out of the vicious current which is threatening to drag India down to the rock of insolvency."

I used a similar expression when the budget was presented in 1921. What was the position then? We had to face a deficit of 34 crores, and what did we suggest? Retrenchment. Not only that. I do not find my Honourable friend, Sir Malcolm Hailey, here. He not only presented us with a deficit of 34 crores, but he gave us a legacy of another 30 crores carried over from pre-reform days. Now, I have asked certain questions in this House, I seldom ask questions, but when I do ask questions I do not ask them without a purpose. Sir, to some questions I asked not long ago, and the Honourable the Finance Member told us in reply that our losses through the reverse Council Bills came up to 28 crores. My Honourable friend, Mr. Burdon told us also, and he gave us an account, that Waziristan had cost us nearly an

4 P.M.

other 28 crores. Further, as I said before, when we came to this Council Sir Malcolm Hailey gave us a legacy of another 30 crores. That was chiefly due to the Afghan War. My Honourable friend the Finance Member refers to an increase in our public debts of 100 crores through deficits and says that our credit is in jeopardy. I say nothing of the kind. He puts our unproductive public debts down as 224 crores. From memory I account for 100 crores in this way.

The Honourable Sir Basil Blackett (Finance Member): If the Honourable Member will study the accounts, he will see that the loss of 28 crores which was incurred in Reverse Councils is not included in the 100 crores. I think that will show that the figures he is quoting are incorrect.

Mr. J. Chaudhuri: In the last five years, up to last year, our deficits came up to 121½ crores.

The Honourable Sir Basil Blackett: The Honourable Member is mistaken.

Mr. J. Chaudhuri: First, since 1918 to 1921 our deficit was 56 crores; then in 1921-22 it was 34 crores, then again in 1922-23 it was 31½ crores and thus the deficit amounted to 121½ crores. We also remember that we made

a war contribution of one hundred crores, nay, more, 150 crores. That is what our predecessors did. That accounts for 224 crores, nay, more. The whole of it is due to military expenditure.

But what is the whole of our public debt? The balance of our public debt 557 crores is revenue earning debts. So, if our finances are on the high way to rehabilitate themselves, then this debt does not trouble us. The Finance Member points out that our unproductive public debts come up to 224 crores. He also points out what it is in England. The interest that Great Britain pays on account of debts to-day comes up to her pre-war revenue. So we may put aside the question of our public debts for the present. If we can put our finances on a sound footing, then I see no cause for alarm. We shall get enough time to work off our unproductive public debts by a suitable sinking fund.

I have said, His Excellency the Commander-in-Chief has kept a number of crores up his sleeves. The Budget that my Honourable friend, the Finance Member, has presented comes to this, that his deficit comes up to 44 crores. I shall read a passage from his speech:

"If these reductions and the others which have been agreed upon could have been fully and effectively in operation on the 1st April 1923, then the military budget for 1923-24 would be 57 crores, 75 lakhs, but a sum of 4 crores, 25 lakhs has to be allowed for special expenditure in Waziristan."

This is exactly the amount he wants to raise by levying a salt-tax. I know, my Honourable friend is fond of humour. I do not know whether he has put down this identical figure for fresh taxation as a practical joke.

The Honourable Sir Basil Blakett: It is rather difficult when the Honourable Member is constantly inventing figures out of his inner sub-consciousness to keep correcting all the time, but if the Honourable Member will read the sentences further on he will see there is nothing like what he said about 4 crores, 25 lakhs being spent in Waziristan. If he will read on he will see that it does not say what he thinks it says.

Mr. J. Chaudhuri: I will read the sentence again and read it through:

"If these reductions and others which have been agreed upon could have been fully and effectively in operation by the 1st April 1923, then the military Budget for 1923-24 would be 57 crores, 75 lakhs, but a sum of 4 crores 25 lakhs has to be allowed for special expenditure in Waziristan and for the fact that the reductions cannot be in full force throughout the year."

That is, for the next year we have to make provision for 4 crores 25 lakhs for Waziristan. I shall show now what amount of money we have sunk in Waziristan and we are sinking at the present moment. I read from Sir Malcolm Hailey's budget speech in the year 1922. He says:

"Under military expenditure, it will be remembered that we allowed 62 crores 20 lakhs of which 3 crores was attributable to Waziristan and one crore expenditure on demobilisation."

Later on he says:

"During the year, however, operations in Waziristan continued, contrary to our expectations on the extended scale set up in the concluding months of 1920-21 and altogether our expenditure on operations in that quarter have cost us 6 crores, 75 lakhs."

I say that now that the Retrenchment Committee has recommended a reduction of 10 crores in our military budget, we are told that recommendation cannot be given effect to till the end of the next year because of our Waziristan policy and further I would draw the Finance Member's attention to the fact that the Incheape Committee also recommend that it is possible to reduce the military expenditure further by 7 crores and bring the

[Mr. J. Chaudhuri.]

budget down to 50 crores. With regard to that His Excellency the Commander-in-Chief even before I mentioned the fact began shaking his head, because he believes he has done a lot. But with regard to Waziristan policy I would ask His Excellency to display the same courage in the field of finance as he has done in the field of battle and reduce expenditure to the limit of our revenue. What will the common tax-payer, the man in the street, say after you have raised the price of salt to double its present price. I am sure His Excellency would not like it to be said by the poorest of the poor from every home in India that we owe this to His Excellency the Commander-in-Chief. He will be a great public benefactor if he will co-operate a little further and relieve the Indian tax-payer of 4½ crores.

Then I shall ask my Honourable friend, Mr. Bray, how long are the Government going to pursue this policy in Waziristan? A fortune has been sunk in the gap and what have we got in return? We are told every year that two crores or less will suffice and in a supplementary budget we find crores piled up and this year again the Finance Member says that we have incurred expenditure over and above the budget estimate to the extent of 17½ lakhs.

I do not wish to go into the detailed figures. I have given sufficient indication that unless the forward policy in Waziristan, in that no-man's land, in which no improvement has taken place during the last two years and in which nothing has been achieved but the killing of a few sheep and cattle by dropping tons of bombs from aeroplanes—unless this policy is abandoned and if we continue to indulge in this pyrotechnic show, then the whole of India's fortune will be swallowed up in that bleak and barren mountain-country. Sir, I shall now leave His Excellency the Commander-in-Chief and my Honourable friend, Mr. Bray, to initiate a policy which will save the Indian tax-payer.

I shall say one word with regard to the railways. I shall reserve my further comments for the time when the demands are made; but I would draw the attention of the Finance Member to the fact that year before last we paid 9½ crores out of our revenues to the railways. Last year we paid another crore. Were not these 10½ crores paid for charges for renewals, interest and current expenditure? Leaving aside the question of the separation of the railway from the general budget, may I ask, are we not entitled to get back that amount now that the prospects of railway earnings are much improved? You have enhanced the freight and fares and in a year or two you will get an ample return. Would you not get back that 10½ crores? If so, why impose this taxation? Even if we have to wait for another year, what will it mean to the tax-payer? A deficit of 4½ crores uncovered will mean in interest only 25 lakhs or a little more. But pending this re-adjustment of the budget, why enhance your taxation? That is not sound finance. I say, if you cannot balance your budget at once, keep it in abeyance for a little while and you will surely be able to wipe off the deficit, if you are in earnest. With these remarks I will close.

Mr. Denys Bray (Foreign Secretary): Sir, the Honourable Mr. Chaudhuri took credit to himself at the outset of his speech that he was not going to indulge in platitudes. I think the House would have been better served had he done so. For there is at least one admirable element in platitudes, and that is some degree of accuracy and verisimilitude. Take that amazing discovery of which he made so great a play. He discovered that the Honourable Finance Member had said "we are thus left with a deficit of 4.26

crores"; and then he discovered in the Honourable Finance Member's statement further back that "a sum of 4.25 crores has to be allowed for special expenditure in Waziristan and for the fact that the reductions"—namely, the reductions in troops, reductions that have nothing to do with Waziristan—"cannot be in full force throughout the year." Let me say at once that the special military expenditure in Waziristan estimated for the coming year is 1.69 crores, which, if all goes well, will practically disappear from the budget next year. The special political expenditure is estimated at 91 lakhs, of which 52 lakhs is non-recurring expenditure on the building of roads and posts.

Now when he spoke of Waziristan in general, indeed he was indulging in platitudes. He may have thought that he was delivering a trenchant attack on Government policy in Waziristan. Sir, he was doing nothing of the kind. He was arraigning an authority infinitely higher than any earthly Government for allowing the very existence of a scourge like Waziristan on India's borders. He is not the first to have 'troubled deaf Heaven with his boisterous cries' over Waziristan; nor assuredly will he be the last.

But let me endeavour to explain to the House what Government policy in Waziristan really is. And, as the matter is somewhat technical, I think I can probably help the House best by giving an outline, as brief as possible, first, of the general frontier" problem, and secondly, of those solutions which two famous schools of frontier thought in the past have propounded for it. For although the House of course contains Members like my friend Mr. Abdul Rahim who knows the problem from bitter first-hand knowledge; Members like my friend Mr. Samarth who has made the frontier problem his study; Members like my friend Dr. Nand Lal whose speech apparently implied that neither knowledge nor study was needed for it; and Members like my friend Mr. Chaudhuri, of whose speech I will say nothing more, it doubtless also includes Members like a friend of mine somewhere on my left who said to me that he would be grateful if I would expound to him the very A. B. C. of it. Well, the ingredients in the frontier problem are essentially three.

Dr. Nand Lal: Sir, I rise to make a personal explanation. If my learned friend will advert to the speech which I made last year, then he will have to admit that his view of my knowledge of the Waziristan policy is wrong. I know as much about the North-West Frontier as he does.

Mr. Denys Bray: I have so far made no claims to knowledge for myself.

Dr. Nand Lal: Then you have no right to . . .

Mr. President: Order, order.

Mr. Denys Bray: If I have said anything that offended my Honourable friend in any way, I gladly withdraw it.

I think I had not yet finished with the three ingredients in the frontier problem:—the frontier districts, the neighbouring friendly State of Afghanistan, and the so-called independent territory. Now, if British India and Afghanistan had co-terminous frontiers, we should of course have a frontier problem and a frontier problem of great magnitude; it would be a straightforward frontier problem between two great and friendly powers. But between British India and India there lies this belt of so-called . . . (A Voice: "Between India and Afghanistan.") I am glad of the interruption, but the Honourable Member will find presently that I was correct.

[Mr. Denys Bray.]

Between the limits of British India and of India there lies a belt of so-called independent territory, peopled by so-called trans-frontier Pathan tribes, untamed, fierce, truculent, aggressive, who have from time immemorial descended from their mountains to raid and harry, pillage, murder and outrage the inhabitants of the plains.

Now the interruption I received just now makes it advisable for me to pause here and dwell on an elementary and historical fact, a fact often forgotten, its implications more often ignored. British India does not march with Afghanistan. India does. India marches with Afghanistan from the Pamirs in the extreme north to Koh-i-Malik Siah in the extreme west, where Persia, India and Afghanistan meet. That is a great historical fact. I go no further back than 1893, when that fact was placed beyond all cavil and dispute by the agreement entered into on behalf of Afghanistan by His Highness the Amir Abdur Rahman Khan, perhaps the most striking personality in modern Central Asian history, and Sir Mortimer Durand. The Durand line, as it is known to ourselves, is India's frontier. It is demarcated by boundary pillars for the greater part of its length. And it is boundary pillars that mark off Waziristan from Afghanistan; it is boundary pillars that include Waziristan in India. We are apt to call Waziristan independent territory; to call the Wazirs and the Mahsud trans-frontier tribesmen. But it is not in reality independent territory; and it is only from the point of view of our British districts that these tribes are trans-frontier tribes. From the point of view of India, from the international point of view that is, they are cis-frontier tribesmen of India. If Waziristan and her tribes are India's scourge, they are also India's responsibility—and India's alone. That is an international fact that we must never forget.

Now, our responsibility for Waziristan and its tribes was vivid to us long before 1893 of course. And for years there were two great contending schools of frontier thought, struggling one with the other for the adoption of the particular solution they favoured. There was the forward policy and the backward policy, or, as I should prefer to call it myself, the policy of close border-defence. Now if I were to run over the long list of names of men who have advocated a forward policy, it would be a list of famous men I should have to recite. But a pound of practice is worth a ton of preaching. And when you turn to the actual exponents of that policy, there are only two who stand out:—that great Afghan ruler, the Amir Abdur Rahman, and that great English administrator, Sir Robert Sandeman. Hardly was the ink dry on the 1893 agreement, when His Highness the Amir inaugurated campaign after campaign against his frontier tribes and subjugated them, and thus made Afghan rule effective—in the Afghan sense of the word—up to the Indian frontier. But Sir Robert Sandeman had been before him in the field. For by 1893 Baluchistan was already effectively administered—in the Sandeman sense of the word—up to the Afghan frontier. Sir, there are many of us who believe that, if Sandeman had been translated from his work in Baluchistan to the north-west frontier, he could have, and would have, succeeded there also. We believe this in spite of the vaster dimensions and the different character of the problem that would have faced him; for the tribes here are made of much sterner and more intractable stuff, and their mountain homes far more inaccessible. Nevertheless a Sandeman, some of us believe, would then have achieved success here also, at no over-great expense in blood and treasure. But what was a practical proposition 20 or 30 years ago is not necessarily so now. The task is infinitely more difficult to-day, chiefly because the tribesmen are

infinitely better armed; their arms have increased at least tenfold during the last 20 years. True, if we had to fight them in the plains, this would matter little. But it is in their mountains that we have to fight them, and it is their mountains, those inaccessible mountains of theirs, that give them their strength. It is one of the striking things in modern warfare that these modern inventions of ours do not give us the advantage in savage warfare in the hills. The hills remain unchanged, and prevent us from using our inventions to the full; and with the improvement of armaments the advantage lies with the tribesmen rather than with us. In short, in these days of acutest financial stringency, the conclusion stares one in the face that a thorough-going forward policy all along the line is a mere counsel of perfection.

Then there is the close border policy. It may seem a waste of time, Sir, to explain what that means, for every one surely can understand a policy that simply bids you defend your own border within your own border. But here again the House will remember that our border does not lie here, it lies ahead along the Afghan frontier; and it will remember also that, if nature abhors a vacuum in the physical world, human nature does not allow a vacuum in the world of high politics. Now, the crudest and most logical form of a close border policy is of course a Chinese wall, a vast wall right along the borders of your districts high enough to keep the trans-frontier tribesmen beyond the pale. A vast wall all along the borders of our districts high enough to keep the trans-frontier tribes out of our districts has indeed been seriously suggested from time to time, regardless apparently of the fact that you would have to build up the wall a foot or two higher year after year, to keep out tribesmen who would be becoming more and more powerful every year and more and more difficult to exclude. A more modern form of course would be a line of barbed wire, of live wire, linking up posts strongly held at intervals, with possibly a gate here and there to let a few well-behaved tribesmen through. Here again one has to remember that all the time the problem in front of us would be going from bad to worse, with the inevitable increase of arms in the trans-border and with that inevitable increase in the economic stringency in this mountainous tract, which would make the tribesmen more and more desperate, more and more thrown back on barbarism. The most modern form of all is of course mechanical transport roads running right along the border, patrolled by constabulary in motor cars, ready to move out at a moment's notice to any point they are required. The great future that mechanical transport has before it in cis-border defence can hardly be exaggerated. Nor can the necessity for cis-border defence itself, but by itself it is not enough. A rigid close-border policy is really a policy of negation and nothing more. It is all very well to say that we should leave the tribesmen to stew in their own juice; but what we should be doing in reality would be to leave them free in their devil's kitchen of mischief to brew incalculable trouble for us. We might gain for our districts a momentary respite from raids, but we would be leaving behind a legacy of infinitely worse trouble for their descendants.

With this introduction, I will expound to the House what the Government policy is. Now we have been for thirty years in occupation of parts of Waziristan. For shortly after the Durand agreement of 1893 we began to drive roads up the great highways of the Tochi and the Gungal, and we have occupied as far forward as Dakka Khel in the North and as far forward as Wana in the South by regulars or irregulars since 1894. But this partial occupation left the real crux in Waziristan untouched. For

[Mr. Denys Bray.]

the crux in Waziristan is not the Wazirs whom this occupation directly affected, but the Mahsuds who live in the strategical heart of Waziristan, separated from Afghanistan by the Wazirs and separated from our British districts by the Bhattanis. In their inaccessibility lay their strength, lay also the root-cause of the persistence in utter barbarism which has made the Mahsud a by-word among other Pathans and an Ishmaelite wherever he goes. Hence, when an appalling series of bloody outrages against our fellow-subjects in the frontier districts forced us into a punitive expedition against them, and when after the severest fighting we have ever experienced in a frontier campaign, we found ourselves in military occupation of the heart of their country, it was thought that the time had surely come to bring the Mahsud country finally under military domination and to rid our frontier districts once and for all of this hideous scourge. The task, of course, was not beyond the power of the gallant Indian army, difficult and laborious though the final subjugation and disarmament of these magnificent fighters in their rugged mountains would have been. But it has proved beyond our financial resources at this time of financial stringency. Hence, though Government are determined to bring Mahsud country under control, it is not on the military occupation of Mahsud country that their policy is based. On the contrary, the military occupation of Mahsud country will shortly cease, to be replaced partly by internal control through scouts and Khassadars, and partly by the domination of Mahsud country from two posts on the edge of but outside the Mahsud country itself, held in force and linked together by a connecting road. In the south there is the post of Jandola in Bhattani country which we have occupied for years. And in the north, at the renewed invitation of its Wazir owners, we have just occupied, after a most successfully planned peacemarch, the open plateau of Ramzak, which from a height of 6,000 to 7,000 feet overlooks and dominates northern Mahsud country. We had calculated on being able to withdraw our troops entirely from Mahsud country itself simultaneously with the occupation of Ramzak. But the political situation took an unexpected turn for the worse towards the autumn, and our programme received a serious set-back. In consequence, though a mechanical transport road from the Tochi to Ramzak is almost completed, we have been unable to complete the road linking up with Jandola. For the time being, therefore, a reduced number of troops will remain in Mahsud country. But as soon as the construction of this road is assured, all regulars will evacuate the Mahsud country, and the protection of the road will then be committed to the Mahsud tribe itself, to locally enlisted Khassadars representing the various sections of the tribe, reinforced by irregulars at Sararogha and Kotkai. Now the Mahsud is a natural strategist of no mean calibre, and he will soon feel that, though the regulars have left this country, he lies within a grasp that can be tightened at any moment. The consciousness of this fact will have a sobering effect upon him. Henceforth the Mahsuds will be robbed of much of the inaccessibility in which lay their strength. And if the Mahsuds should again force us by their misdeeds into an expedition against them, then instead of having to force the Mahsud defences at a cost in blood and treasure that would be assuredly far higher than the high cost in the recent campaign, we shall have in Ramzak, above and behind his natural defences, an advance base the possession of which will enormously facilitate our task.

But our policy is not merely designed to provide a preventive menace to the Mahsuds or to serve as an insurance against the abnormal frequency

of expeditions or against their abnormal cost. It is essentially positive and constructive in character, in marked contrast to a negative system of rigid close-border defence. The central feature of it is the tribal levy or Khassadar, providing his own rifle and ammunition, and policing the country for us. This Khassadar system was of course the keystone of Sandeman's policy, perhaps his most potent agency in the grand work of civilization he achieved. In essence, it is a means of giving the tribe a stake in our administration of law and order; of controlling the tribe as far as possible by self-Government; of keeping alive that spirit of tribal responsibility which is the basis of our relations with all trans-frontier people. But tribal levies cannot be expected to function in the trans-frontier if they are left in the air, without some form of external force within reasonable range to keep them up to their work. The most economical form of outside force that we can devise is the irregular. But irregulars, again, cannot be safely employed in the trans-frontier unless they are in effective range of military support in case of emergency. Hence the necessity for roads suitable for occasional mechanical transport use, linking up a minimum number of irregular posts in the trans-frontier with military posts in the rear. These roads are thus an alternative to military occupation, and a very much cheaper alternative. But they are something much more. Like the Khassadar, they are civilisation carriers. And complementary to the arrangements in the trans-frontier itself, our policy includes a cis-border road about 100 miles in length, providing a much needed lateral communication, for the immediate defence of the sorely-harassed inhabitants of the Dera Ismail Khan district. The policy of Government in Waziristan is, therefore, the control of Waziristan—though a road system, of which about 140 miles lie in Waziristan itself and 100 miles along the border of the Derajat, and the maintenance of some 4,600 Khassadars and of some 5,000 irregulars. And this policy Government is resolved to carry through with vigour and determination in the interests of our fellow-subjects in the Zhob and the Derajat, and in the interests of the security of all India.

Now, in so far as a forward policy means a move forward to the Durand Line, the Government policy is not a forward policy at all, for our new post at Ramzak, for instance, is farther from the Durand Line than our old established posts in the Tochi. In this sense of the term, indeed, our policy is in one signal respect a backward policy. For, whereas we have held Wana close to the Afghan border by regulars and irregulars since 1894, we shall now hold it by Khassadars only; and our irregulars on this side will be no further forward than Sarvekal, which we have occupied for years. None the less, the Government policy is a forward policy in a very real sense of the word. It is a policy of progress. It is a big step forward on the long and laborious road towards the pacification through civilisation of the most backward and inaccessible, and therefore the most truculent and aggressive, tribes on our border. Come what may, civilisation *must* be made to penetrate these inaccessible mountains, or we must admit that there is *no* solution to the Waziristan problem, and we must fold our hands while it grows inevitably worse. It is the inaccessibility of these mountains which breed more than they can feed, that lies at the root of the problem. For from this inaccessibility arise the economic stringency, the crass ignorance, and the wanton insolence and barbaric cruelty that spring from a sense of security. And these are diseases for which civilisation in some shape or form is the only cure. It may be thought visionary to talk of the civilisation of the Mahsud. But

[Mr. Denys Bray.]

you must take long views on the frontier. Civilisation, after all, has succeeded often enough with material far more unpromising and intractable than the Mahsud, who, for all his barbarity and ignorance, is a man of magnificent virility and courage and with no small share of natural wit and intelligence.

I have spoken of the forward policy as being, in these latter days, a counsel of perfection. I have spoken of a rigid closed border policy as a policy of negation, degenerating into a counsel of despair. I have expounded the Government policy and have endeavoured to make plain to the House its essentially constructive and progressive character. But of one policy—if policy it can be called—I have said not a word. I had thought that the old cry of “Back to the Indus” had long since been silenced for ever. I was wrong. It has been re-appearing of late in our press; it even found its way into the evidence adduced before us on the Military Requirements Committee. Back to the Indus? Shall we betray our fellow-subjects on the frontier? Shall we hand them over to the tender mercies of the independent tribesmen in the first instance, and thereafter to—who shall say? Back to the Indus? If India ever went back to the Indus, not all the five rivers of the Punjab would set the mark to the erosion of India's soil that would then ensue. Back to the Indus? Let the House say here and now whether India is ever going back to the Indus. (Mr. J. Chaudhuri: “No! Arm your own frontier people!”) In the domain of India's foreign politics, I know of one fixed and immutable rule only: What India has, let India hold. India is large enough to exact not a single square mile of ground that is not already her own. But India is not large enough to allow any invader of India—be he independent tribesman or foreign power, from south or north or east or west, more of her soil than a plot of ground 7 feet by 2½ and 4 feet deep.

Mr. Mammohandas Ramji (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, before I begin to discuss the Budget, I hesitate whether I am to congratulate the Finance Member or to criticise him. I find, that with all the efforts of the Finance Department and after accepting some of the proposals of the Incheape Committee, the Finance Member has failed to present a balanced Budget, without resorting to additional taxation. I think, if he had not included in the Budget the proposals for increases on Demands for Grants, on the figures of last year (the details of which I have in my hand, and I shall hand over to him presently), he could have saved nearly 1½ crores of rupees. You will therefore see that while retrenchment is made on the one hand, increase in expenditure is also made on the other hand. Thinking a little deeply, I am at a loss to know why Government proposes such increases in expenditure while there is a general cry for all-round retrenchment.

Again, a Demand for Rs. 91,30,000 is made under the heading North-West Frontier Province, under items, Public Works and Civil Works. That could also wait for some time.

Coming to the proposals of the Incheape Committee, I feel that the Government ought to have allowed a larger amount as ‘retrenchment’ in this Budget, than is indicated by their present proposal.

Turning to another aspect of the Budget, I may point out that in the last year's Budget Estimate (1922-23) under Demand No. 46, a provision was made for refund of more than Rs. 6 crores. This year only a little

more than a crore of rupees is asked. If the Expenditure was maintained at the same level as last year, this difference alone of more than Rs. 5 crores would effect a small saving, instead of the deficit that is now shown. I, therefore, consider that the deficit shown is not a real deficit, and that there is no necessity for increasing the tax on Salt—a duty which is condemned by politicians and statesmen in particular, and by every one, in general.

Speaking of the Exchange question, Sir, the Finance Member said, 'I repeat that the time has not yet come for a new attempt to fix the rupee'. I may point out at once that there is a considerable body of commercial men who opine that as sterling has reached its good parity, it is now an opportune time for making a change of the policy pursued by the Government. However, this is not the time to consider that question.

The Finance Member in the course of his speech remarked, that as India had £240 million sterling Debt, it would show a considerable less amount in rupees at a higher Exchange, and he goes to point out that at the rate of 1s. 8d. Rs. 9½ crores would have been saved to India. Before admitting that, I should ask him to state what would have been the saving to the country on the total amount of export trade, at the rate of 1s. 4d. instead of at 1s. 8d.

Undoubtedly, it would amount to considerably more than Rs. 9½ crores. What India wants is to get rid of fluctuations in Exchange, and the only way to achieve that object is to adopt a real gold currency with an open mint for coining gold.

I am surprised to find that there is no provision made in the Budget for giving effect to the recommendations of the Fiscal Commission. The Minority of the Members have recommended the total abolition of the excise duty of 3½ per cent. on cotton cloth manufactured in India, a duty which is obnoxious in its character, and which finds no place in any other country in the world. As we all know, it only serves to quieten the Lancashire agitation and to give indirect protection to foreign goods. And, I should have very much liked the Government to have thought it advisable to make a beginning to give effect to this recommendation and made provision in the Budget to give at least partial effect by reducing a portion of the excise duty and ultimately abolish the same,—which action is long overdue. As I intend to move an amendment to this effect, I do not want to take any more time on this subject.

Before I finish, I would like to draw the attention of this House and the Government to one important fact, and that is, that both of us are neglecting a very important item, namely, Irrigation, which is one of the most paying sources of Revenue. Far less attention is at present given to this item, than to the development of Railways, where it is proposed to spend about Rs. 38 crores, on capital works.

Lastly, I would ask the Government not to raise more loans in India than it is absolutely necessary, as it affects adversely the money-market in this country and paralyses in a general way the trade.

When I speak of Loans I am reminded of another subject dealt by the Honourable the Finance Member. There is an unspent balance of Rs. 8,63,95,000 under the Head—Railways—which the Government wants to spend this year; and instead of spending Rs. 30 crores, they propose spending Rs. 38 crores. I venture to ask where is the necessity of including this amount, of nearly Rs. 9 crores, in the Budget at a time of financial

[Mr. Manmohandas Ramji.]

stringency, and when it was found impossible to spend this amount last year. A provision of Rs. 30 crores for the next year seems to me to be quite sufficient for the present and the spending of Rs. 9 crores may wait for a few years more. Or, if need be, it may be spread over the remaining 4 years. That I am sure will not affect in any considerable degree the working of Railways and I would suggest that the Government should raise only 17 crores of rupee loan. In ordinary business no one would think of spending huge amount on capital works at a time of financial stringency.

In this connection I would suggest that a portion of this grant to Railways should be utilised for opening new lines which could bring in a good revenue and a handsome return for the investment.

Speaking about Provincial contribution the Honourable the Finance Member remarked about the Provincial Governments following the policy of some charitable or religious bodies in showing handsome deficits in order to appeal effectively to the charity of the Central Government. This remark applies with equal force, in my opinion, in his own case. He seems to think, that he can effectively appeal to this House only by showing a deficit, and to cover it, by proposing a tax on Salt. We are as shrewd as he is. I would like to tell him that he should try first to minimise extra expenditure, and then to have full effect given to the recommendations of the Retrenchment Committee to bring about a balanced budget and not to propose additional taxation to cover what I have already called an 'unreal' deficit. I am quite sure, it would have been possible for the Government to have produced a balanced Budget.

Rai T. P. Mukherjee Bahadur (Burdwan Division: Non-Muhammadan Rural): Sir, this is the third year of the reformed era. When the Reform was first introduced it was welcomed by many including myself as the dawn of a happy franchise for the good of our country. But, alas, what a great disappointment! I hoped that this year I would be able to congratulate our new Honourable the Finance Member for his first prosperous budget, but to our utter disappointment, we again find a deficit budget, a budget of despair. However, I congratulate him only for the reason that he is a new-comer and he has taken recourse only to one tax and not more. To crown all, Sir, there is again a proposal for an additional taxation—a tax on salt. Sir, we are on the threshold of a new election and I fully agree with Dr. Nand Lal, our Honourable Member, that we are really ashamed to approach the electorate. What are we to answer when we will be asked to state the good works we have done for our country in the course of the last three years? The answer would be that we have introduced innumerable taxes. Sir, the prospects are very gloomy, the people are all discontented, and the happy vision of those who welcomed the reform is also fast disappearing in thin air and the people are now under the impression that "Reforms" means only successive deficit budgets of Provincial and Imperial bankruptcy—and endless additions of taxation. Sir, when there is again a proposal for increasing the duty on salt, even after the report of the Retrenchment Committee, I think there is no hope of salvation and this state of things would continue for ever. Sir, the repeated introduction of new taxes by the Government every year induces men to believe as if the Government does not think it their first duty to keep the people satisfied and well-fed. Otherwise, they would have never thought of introducing such endless taxation every year.

Sir, we had a great hope that after the receipt of the report of the Incheape Committee our Honourable Finance Member would be in a position to introduce a prosperous budget even at a time when our life is about to come to an end. But alas, we are disappointed; we cannot appreciate the report of the Incheape Committee even when we have received it at such an enormous cost. Sir, such a repeated deficit budget could not be tolerated any more. The repeated deficit budgets clearly indicate that there is something very wrong and rotten somewhere in the administration. Mere superficial tinkering with such a difficult problem will not do any good. The root causes lay deeper than they are generally considered to be and the Government is the best person to make a correct diagnosis of this chronic disease.

Though I am a lay man I am inclined to attribute this deplorable condition of our finances to two causes, first to the extravagance of the Government, and secondly to the enormous increase of military expenditure of the country. Sir, the super-structure of the administration is sure to crumble and fall, unless cautious steps be taken now and the material welfare of the country is attended to, so that the people might appreciate the worth of your Reforms. Sir, we were under the impression that the new Finance Member would try to balance his account in any other way instead of imposing an additional duty upon salt which is a poor man's commodity. Sir, it should be clearly understood that the salt duty would be opposed by every non-official Member as they are in duty bound to do it. It is admitted on all hands that military expenditure in India is enormously heavy and is found to be unprecedented in the annals of the history of the world. Sir, this is admitted even by the Incheape Committee which I quote below :

"But the question is whether India can afford to maintain military expenditure on the present scale as an insurance against future eventualities. In our opinion, the repeated huge deficits of the last few years, in spite of the imposition of heavy new taxation, have made it abundantly clear that India cannot afford this expenditure."

Sir, the Incheape Committee with a throbbing heart, after giving the military authorities of India a great credit for their work, has at last recommended the budget estimates for the year 1923-24 to be 51.47 crores, thus making a reduction of about 9 crores. Sir, this reduction is nothing, the proposed estimate is still full of water, and the watery portion is so great that if you make another 9 crores reduction out of it, I think you will not be able to touch the milk. Sir, I therefore propose that the Honourable the Finance Member should try his level best to carry out all the recommendations of the Incheape Committee as early as possible, and drop the proposal of introducing an additional duty on poor man's salt.

The Honourable Sir Basil Blackett: I rise to a point of order. I do not know whether I shall be in order, but so many Members appeal to me to carry out the recommendations of the Incheape Committee as an alternative to the salt tax, that I must, I think, repeat that the two together are necessary. I tried to explain in my speech that we are carrying out the recommendations of the Incheape Committee to the fullest extent possible within the year. Even so, there is a deficit. So many Members keep on asking us to do something that we have done, as an alternative to the salt tax, that I think it is necessary for me to make this intervention at this stage.

Rai T. P. Mukherjee Bahadur: If I remember right, the Honourable the ex-Finance Member, Sir Malcolm Hailey, said last year that the salt-tax works to about three annas per head per annum extra cost, but the

[Rai T. P. Mukherjee Bahadur.]

Honourable Member should not forget that salt is not only used by the people, but it is also largely used for cattle and for agricultural purpose as a manure.

With these few remarks I oppose the Budget.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 6th March, 1923.

LEGISLATIVE ASSEMBLY.

Tuesday, 6th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

POLICE DUTIES IN LEGISLATURES.

467. ***Mr. R. A. Spence:** (a) Is it a fact that since the creation over two years ago of:

- (i) The Imperial Legislative Assembly;
- (ii) The Council of State;
- (iii) The Chamber of Princes;

no extra Police have been entertained for duty at these Chambers?

(b) In consequence is it a fact that the local Police both in Simla and Delhi have to perform this extra work at the expense of their sanctioned duties with the result that all have to work long hours overtime throughout the entire Session of 2½ months twice a year?

(c) If the facts are substantially as stated, is Government prepared to take the matter into consideration?

Mr. E. Burdon: (a) No extra police force has been entertained solely on account of the creation of these Chambers, but one of the factors which influenced the Government of India in determining the strength of the Delhi police force has been work in connection with the Sessions of the Legislature and other special duties during the Delhi winter season. Last year the total strength of the force was increased with a view *inter alia* to strengthen the reserve. In Simla also the strength of the police force in the summer is based partly on the ceremonial and other duties required to be performed. A small guard is provided from the local force with the exception of a few sergeants who have been drafted in from outside for the purpose.

(b) During the Delhi Sessions a proportion of the men have to be withdrawn from their normal executive duties, and no doubt some of them are on duty for longer hours than usual but the duty at the Chambers is not continuous or arduous, though responsible, and compensation is afforded by lighter duties in the summer at Delhi and in the winter at Simla.

(c) Government are not aware of any present necessity of changing the existing arrangements but will make further enquiries.

HEDJAZ PILGRIMS.

468. ***Haji Wajihuddin:** Are the Government aware of the sufferings and hardships that Hedjaz pilgrims generally underwent last Haj season on their journey from Mecca to Medina?

Mr. Denys Bray: Government are not aware that Hedjaz pilgrims generally underwent sufferings and hardships, but have heard with grave concern that in certain cases Indian pilgrims had legitimate cause for complaint.

GOVERNMENT OF INDIA SECRETARIATS.

469. ***Baba Ujagar Singh Bedi:** (a) Is it a fact that all proposals for additional staff required in the various Departments of the Government of India are placed by the Departments concerned before the Finance Department, for scrutiny and sanction, and that similar proposals emanating from the Finance Department are sanctioned by the Department itself?

(b) If so, do the Government propose to lay down that such proposals emanating from the Finance Department, should be scrutinized by the Home Department or some other Department before they are finally sanctioned.

The Honourable Sir Basil Blackett: (a) Yes.

(b) Such proposals are considered in that branch of the Finance Department the business of which is to scrutinize proposals for new expenditure. I have no reason to think that this branch scrutinises proposals emanating from other branches of the Finance Department with any less care than in the case of proposals emanating from other departments. I do not consider that the course suggested by the Honourable Member would be likely to result in any economy.

HIGH COURT JUDGES.

470. ***Khan Bahadur Saiyid Muhammad Ismail:** (a) Will the Government be pleased to state the number of Judges permanent and additional sanctioned in " the High Courts of India including Burma?

(b) Will the Government be pleased to specify their names and nationalities with the date of their appointments?

(c) Will the Government be pleased to state in how many High Courts of India there are Muhammadan Judges already appointed with their dates of appointment?

(d) If, in case, there is no Mussalman Judge appointed in any of the High Courts of India to state the reason why none has been appointed since 1921?

Mr. E. Burdon: (a) The total number of Judges in all the High Courts in India, including Burma, is 75.

(b) and (c) The Honourable Member will find all the information he requires in the various civil lists.

(d) The Honourable Member is referred to the answer which will be given to part (a) of his next question.

JUDGES IN PATNA HIGH COURT.

471. ***Khan Bahadur Saiyid Muhammad Ismail:** (a) Will the Government be pleased to state the reason why no Muhammadan Judges was appointed to the Bench of the Patna High Court since the year 1921 permanently, also to state the reason and the circumstances under which that Muhammadan Barrister who was appointed to officiate after Mr. Justice Atkinson's death was not confirmed in 1920-21 and instead of his being confirmed an Englishman was brought from Straits Settlements?

(b) Is the Government aware that in the Patna High Court 2 Additional Judgeships have been created after Puja vacation and that out of the 2 appointments made, the claims of really qualified Muhammadan Members of the Legal Profession have been completely ignored? If the reply be in the affirmative, will the Government be pleased to give full reasons for ignoring the claim of qualified Mussalman from selection?

(c) Is it a fact that one Mr. Abdur Quadir, Bar-at-law, who had already acted as officiating Judge of Punjab High Court for several years had been made to resign? If the facts be true will the Government be pleased to state the real circumstances of such a contingency?

(d) Will the Government be further pleased to state who has been appointed in the vacancy thus caused?

Mr. E. Burdon: (a) Permanent appointments to the High Courts are made by His Majesty under section 101 of the Government of India Act. Courts of Justice are not representative institutions, and the main consideration in filling up vacancies in high judicial appointments must always be that of efficiency: subject to this the claims of Muhammadans no less than those of members of other communities receive due consideration.

(b) The reply to the first part of the question is in the affirmative. As to the second part of his question the Honourable Member is referred to the answer given to (a) above.

(c) No. He left the Court on the termination of his appointment.

(d) Does not arise.

WORKING OF BENGAL AND NORTH-WESTERN RAILWAY.

472. ***Khan Bahadur Saiyid Muhammad Ismail:** (a) Will the Government be pleased to state the control which they exercise over the Company-managed and the Company's own Railway called the Bengal and North-Western Railway?

(b) Will the Government state if they are aware of the circumstances under which this Company is causing serious inconvenience to the passengers, by the unpunctual running of the trains without any arrangement for the foodstuffs over the line between Katihar and Cawnpore and its several other branches?

(c) Do Government propose to take any step to impress upon the Company the necessity, (1) of improving the Rolling Stock, (2) of making suitable arrangements for water supply and foodstuffs at every Railway Station?

(d) Is the Government aware of the very serious inconvenience caused to the passengers when crossing the river between Digha and Pahleza Ghats owing to the absence of a platform and a passenger-shed at the newly constructed station at Digha Ghat which have been shifted from its original position causing a very serious inconvenience to the frequent travellers crossing the Ganges between Digha and Pahleza Ghats starting from Patna Junction Railway Station?

(e) If the reply to the above be in the affirmative, will the Government be pleased to state why the Railway Station Digha has been shifted from its old situation?

(f) Is the Government aware of the fact that while in Mokamah and Semaria Ghats, Bengal and North-Western Railway ferry stations, sufficient autolux lamps are provided for convenience of passengers, none is

provided at Pahleza Ghat and Digha Ghat although steamers are plying not less than 3 times between the two latter Ghats during the night and that the absence of brilliant light causes serious danger to the passengers in getting in and out of the Steamer?

Mr. C. D. M. Hindley: (a) The Honourable Member's attention is invited to Appendix A of the Administration Report on Indian Railways, 1921-22, Volume I, copies of which are available in the library.

(b) and (c) The working of the Bengal and North-Western Railway was recently the subject of a special enquiry by the Senior Government Inspector of Railways, Circle No. 3, Lucknow, in conjunction with the Agent, Bengal and North-Western Railway, and certain representatives of the Bihar and Orissa and United Provinces Governments. The result of this enquiry showed that the Railway Administration was paying careful attention to the convenience of the public and was willing to meet all reasonable demands. The grievances which exist are chiefly due to the fact that during the war period it was extremely difficult to obtain materials, and Government are satisfied that the Administration is doing its best to bring the line up to a high standard.

(d), (e) and (f). Government have no information but enquiry will be made.

TIRHOOT STATE RAILWAY.

473. ***Khan Bahadur Saiyid Muhammad Ismail:** (a) Will the Government be pleased to state the method and the system under which the Tirhoot State Railway is being managed?

(b) Is the section under the direct management of the Government? If so, what was its income between 1920 and 1922, and the consequent expenditure in the upkeep and maintenance? If the section is not directly managed how is it managed and what guarantee the Government provides?

(c) Will the Government be pleased to state the total number of high-paid employees, with their nationalities, employed over the Tirhoot State Railway; also to state how far and how long the management of the Bengal and North-Western Railway overlaps that of the Tirhoot State Railway Section?

Mr. C. D. M. Hindley: (a) and (b). The Tirhut State Railway is managed and worked by the Bengal and North-Western Railway Company. For the terms of working the Honourable Member is referred to the History of Indian Railways, a copy of which is available in the Library.

(c) The Bengal and North-Western Railway Company employ conjointly the higher paid staff required for this section and their own main line. In regard to the concluding portion of the question the Honourable Member will find full information in the History of Indian Railways already referred to.

ROLLING STOCK ON TIRHOOT STATE RAILWAY.

474. ***Khan Bahadur Saiyid Muhammad Ismail:** Will the Government be pleased to state if the Tirhoot State Railway maintains any independent Rolling stock or the Bengal and North-Western Railway stock is running over the section? If the fact of the Bengal and North-Western Railway stock running over the section is true, will the Government be pleased to state the conditions under which they are utilised.

Mr. C. D. M. Hindley: The Bengal and North-Western and the Tirhut State Railways are worked as one system and rolling stock is provided and worked in accordance with the requirements of the whole system. The capital cost of the stock is allocated to the two railways in proportion to their respective average gross earnings.

CONCESSION TICKETS ON RAILWAYS.

475. ***Khan Bahadur Saliyd Muhammad Ismail:** (a) Will the Government be pleased to state the reason and the circumstances under which the concession tickets for the 1st and 2nd classes that used to be issued during Poojah and Christmas vacations have been discontinued by the authorities of the East Indian Railway?

(b) Will the Government state if such discontinuance of practices requires sanction of the Railway Board in case of Company-managed Railways or the Company-managed Railways are themselves competent to exercise such authorities?

(c) If the reply to the first part of (b) is in the affirmative, will the Government be pleased to state the reason as to why such sanction has been accorded?

(d) Do Government propose to take immediate step to direct the East Indian Company to adhere to the old system of issuing return 1st and 2nd class tickets at reduced rates according to the practice that was in vogue a few years before and also to issue concession return tickets during the Poojah and the Christmas holidays?

Mr. C. D. M. Hindley: (a) In consequence of the abnormal conditions caused by the War the concessions allowed during the Poojah and Christmas holidays to 1st and 2nd class passengers had to be withdrawn. The East Indian Railway Administration, however, granted this concession during the last Christmas holidays.

(b) and (c) The grant and withdrawal of concessions of this kind are within the competence of Company-managed railways.

(d) The Honourable Member is referred to the answers given to questions Nos. 145 and 292, on the 17th and 29th January, 1923, respectively.

RESERVED ACCOMMODATION ON EAST INDIAN RAILWAY.

476. ***Khan Bahadur Saliyd Muhammad Ismail:** (a) Will the Government be pleased to state if they are aware that the practice prevalent a few years before in the East Indian Railway of reserving 1st class compartments by paying 3 fares and 2nd class compartments by paying 4 fares respectively has been supplanted by charging actual fares of 4 tickets in case of 1st class and 5 tickets in case of 2nd class compartments, respectively?

(b) If the reply be in the affirmative will the Government be pleased to state the circumstances under which this change in practice has taken place and also whether such a change had been contemplated after taking the approval of the Railway Board?

(c) Do Government propose to issue instructions to the East Indian Railway to continue reserving 1st class compartments by paying 3 fares and

2nd class compartments by paying 4 fares for the period of their contract which will expire in December, 1924?

Mr. C. D. M. Hindley: (a) The reply is in the affirmative.

(b) The change was introduced with the approval of the Railway Board, not only on the East Indian Railway but on all the other important railways, and was one of the measures adopted to increase railway earnings and to ensure the best use of the accommodation available in the interests of the general travelling public.

(c) The reply is in the negative.

ACWORTH COMMITTEE'S RECOMMENDATIONS.

477. ***Khan Bahadur Saiyid Muhammad Ismail:** Will the Government be pleased to state how far effect has been given to the unanimous recommendations of the Acworth Committee contained in Volume 1 of their Report, also to state specifically if their recommendations, *vide* paragraphs 156 to 172 of the Report *re*: the constitution of the Rate Tribunal have been given effect to? If not, why?

Mr. C. D. M. Hindley: It is impossible to give a comprehensive reply to the Honourable Member's question. The Acworth Committee dealt with the whole subject of Railway Administration and management and their suggestions have been systematically considered and given effect to wherever possible at once. A good many of their proposals involved, however, large changes in policy and there are some cases, including the recommendation regarding the constitution of a Rates Tribunal, still under the consideration of Government. This question of establishing a Rates Tribunal involves matters of very great financial and administrative importance and it is not in the general interest should be hurriedly decided.

EMBARKATION PORTS FOR HAJIS.

478. ***Khan Bahadur Saiyid Muhammad Ismail:** Will the Government be pleased to state as to what steps have been taken by them to give effect to the promise made by Sir Henry Sharp last year during the course of the debate over Haji Wajihuddin Saheb's Resolution *re*: making Calcutta the port of embarkation for the Hajis intending to go on pilgrimage to Hejaz? If no steps have been taken as yet in the matter, do Government propose to expedite opening Calcutta as the port of embarkation for the pilgrims going to Erak and to Hejaz?

The Honourable Mr. A. C. Chatterjee: The Honourable Member is referred to the answer given yesterday to a similar question put by Haji Wajihuddin.

Mr. K. Ahmed: Is there any likelihood of opening the Chittagong port for the embarkation of pilgrims and other passengers who want to go to Hedjaz and other places?

The Honourable Mr. A. C. Chatterjee: I said yesterday, Sir, in reply to a similar supplementary question that the supplementary question did not arise.

Mr. K. Ahmed: The question contained, Sir, the wording: "do the Government propose to expedite opening Calcutta as the port of embarkation for the pilgrims going to Erak and to Hedjaz"?

Mr. President: If the Honourable Member wants information regarding the port of Chittagong, he should put his question on the paper and then he will get an answer.

PILGRIMS FOR JEDDA.

479. ***Khan Bahadur Saiyid Muhammad Ismail:** Will the Government be pleased to state if it is a fact that at the port of embarkation at Bombay the pilgrims proceeding to Jedda have been compelled to buy return tickets? If it is so, to explain the reason and the circumstances?

The Honourable Mr. A. C. Chatterjee: So far as the Government of India are aware no such compulsion is being exercised.

INFECTIOUS DISEASES HOSPITAL ON KUTAB ROAD.

480. ***Mr. W. M. Hussanally:** (a) Is it a fact that the building at Delhi on the Kutab Road, now used as Municipal Infectious Diseases Hospital and through the compound of which the new road passes, was originally a mosque?

(b) If so, when, under what circumstances and with whose permission was it handed over to the Municipality to be used as a hospital?

(c) Do Government propose to hand it back to Muhammadans to be used as a mosque?

The Honourable Sir Malcolm Hailey: (a) The building in question has some times been described as a tomb, but is generally believed to be a disused mosque dating from the time of Feroz Shah.

(b) This derelict Nazul building was transferred by Government to the Municipality in 1873, and put into order by that body for use as a Hospital for patients suffering from Infectious Diseases. It has therefore been used for this purpose for the last 50 years.

(c) The Infectious Diseases Hospital can no longer be located on this site because the new alignment of the Kutab road passes through the compound. When the road works are completed it is proposed by the local authorities to hand over this building, as well as another mosque and tomb in the same compound, to a responsible local Muhammadan Association which already administers several mosques, if the Association will accept the charge.

INFECTIOUS DISEASE HOSPITAL, DELHI.

481. ***Khan Bahadur Saiyid Muhammad Ismail:** Is the Government aware that there exists in the town of Delhi on the Pahargunj road a Hospital for the infectious diseases owned by the Municipality which is situated in a building resembling an old mosque, an Imambara or a shrine and is surrounded by a graveyard? Will the Government be pleased to make a statement after necessary enquiry as to the origin of this building and also as to how it was used before its present occupation by the Delhi Municipal Infectious Diseases Hospital?

The Honourable Sir Malcolm Hailey: The Honourable Member is referred to the answer just given to Mr. Hussanally's question.

UNSTARRED QUESTIONS AND ANSWERS.

ESTABLISHMENT OF OFFICE OF CONTROLLER, MILITARY ACCOUNTS, MEERUT.

222. **Mr. Mohammad Yamin Khan:** Will the Government be pleased to give information as to the following matters—

- (a) How many candidates did pass in the departmental examination held on 5th November, 1921, for appointments as clerks in the Controller's Military Account Office, District Meerut?
- (b) When and at how much salary was the person who stood first appointed?
- (c) When and at how much salary were the persons who stood 2nd, 3rd, 4th and 5th appointed respectively?

2. Is there any difference in pay of European and Indian clerks in the Department mentioned in the preceding question?

3. Up to what time have the clerks to work in the Controller's Military Account Office, District Meerut?

The Honourable Sir Basil Blackett: (a) 186.

(b) On Rs. 50 per mensem from 3rd December 1921.

(c) The individuals who stood 2nd and 5th at the examination were already in Government employ as temporary clerks and were confirmed from 1st March and 1st April 1922 on pay at Rs. 90 and Rs. 70 per mensem respectively. Those who stood 3rd and 4th are employed as temporary clerks on Rs. 50 each per mensem.

2. The reply is in the negative.

3. Working hours have recently been changed from 10-30 A.M. to 6 P.M. to 10-30 A.M. to 5 P.M.

BURMA MEAT TRADE.

223. **Lala Girdharilal Agarwala:** (a) Is the Government aware that the United Provinces Legislative Council and the Central Provinces Legislative Council have passed Resolutions to stop the Burma Meat Trade?

(b) Whether the Government of India have approved of those Resolutions and from what date effect has been or will be given to either of them?

Mr. J. Hullah: (a) Yes.

(b) It is not known what action, if any, was taken by the Government of the United Provinces on the Resolution passed by the United Provinces Legislative Council. The Government of India did not take any action in the matter. As regards the Resolution passed by the Central Provinces Legislative Council, the Government of India suggested to the local Government that action might be taken under the Central Provinces Slaughter of Animals Act, if they considered it desirable or necessary to do so. The Central Provinces Government have taken the requisite action under that Act—*vide* the Rules published on pages 565 to 568 of the Central Provinces Gazette, Part I. dated the 3rd June 1922. These Rules probably took effect from the date of their publication viz., the 31st May 1922 but the Government of India have no definite information on the subject.

INDIAN CATTLE WEALTH.

224. Lala Girdharilal Agarwala: Have the Government taken any steps or do they propose to take any in the near future to protect and improve the cattle wealth of India?

Mr. J. Hullah: The matter is primarily one for the local Governments, whose attention has been drawn to the importance of the matter.

IMPROVEMENT OF CATTLE.

225. Lala Girdharilal Agarwala: Do the Government propose to undertake any legislation for protection and improvement of cattle in India?

Mr. J. Hullah: The answer is in the negative.

SLAUGHTER OF CATTLE.

226. Lala Girdharilal Agarwala: What safeguards if any are at present provided in India by any law or rule against indiscriminate slaughter of cattle, especially pregnant animals, animals in milk, and prime cattle?

Mr. J. Hullah: The Honourable Member is referred to the Central Provinces Government's Notification No. 1236-955-XIII, dated the 31st May 1922, which appeared in the Central Provinces Gazette of the 3rd June 1922. The Government of India have no information of any other regulations on the subject but they shall try to secure all available information in regard to it.

CATTLE IMPROVEMENT BILL.

227. Lala Girdharilal Agarwala: Will the Government be pleased to lay on the table for the information of the House my last Cattle Improvement Bill and the letter of the Government as a result of which I was prevented from asking leave of the House for its introduction?

Sir Henry Moncrieff Smith: The Honourable Member is referred to the answer given on the 1st February last to Babu Ambica Prasad Sinha's unstarred question No. 132.

GOVERNOR GENERAL'S ASSENT TO BILLS.

Mr. President: I have to acquaint the Assembly that His Excellency the Governor General has been pleased to give his assent to the following Bills passed by both Chambers of the Indian Legislature:

The Malabar (Completion of Trials) Supplementing Act, 1923.

The Cotton Transport Act, 1923.

The Indian Mines Act, 1923.

The Indian Boilers Act, 1923.

The Indian Factories (Amendment) Act, 1923.

The Indian Naval Armaments Act, 1923.

The Indian Paper Currency Act, 1923.

The Repealing and Amending Act, 1923.

The Cantonments House Accommodation Act, 1923, and

The Workmen's Compensation Act, 1923.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform you that the Council of State has at its meeting held on Monday, the 5th March, 1923, agreed without any amendments to the Bill further to amend the Married Women's Property Act, 1874, which was passed by the Legislative Assembly on the 15th of February 1923."

Mr. President: I appoint for the purposes of to-day's debate a period of 15 minutes for each speech.

GENERAL DISCUSSION ON THE BUDGET.

FIRST STAGE—*contd.*

Sir P. S. Sivaswamy Aiyer (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): Sir, last year I presumed upon your forbearance and the kindness of the House and wearied the House with some detailed criticism of the Military expenditure. I do not propose to repeat that course this year. I have no intention of occupying the attention of the House for more than a very few minutes, and it is due for two reasons. In the first place, ill-health has prevented me from examining the Budget with any care. In the second place, the Incheape Committee has done its work so well and so thoroughly that it would be a work of supererogation to go over the same ground. I desire to associate myself with the tribute of praise that has been so deservedly paid to Lord Incheape and his colleagues for the splendid work they have done on the Retrenchment Committee, for the thoroughness and promptitude with which they have done their work. But whatever the intrinsic merits of their recommendations might have been, they would have lost very greatly in value but for the concurrence of His Excellency the Commander-in-Chief. I congratulate Lord Incheape and his colleagues and I congratulate the House on the fact that the Committee have been able to secure the whole-hearted co-operation of His Excellency the Commander-in-Chief in the work which they have done on the Retrenchment Committee and in the recommendations which they have made. Sir, last year I did not refer to one or two things to which I might have referred. One is the question of the Indianisation of the auxiliary services as a possible avenue of retrenchment. I did not dwell upon it for the reason that I thought that the fruits of that policy in the way of retrenchment would be rather gradual and slow. But I think it high time that that question should be examined. It is a matter of regret that the question of the admission of Indians to the auxiliary services—a question upon which this House passed a Resolution when considering the report of the Esher Committee—should be still under the consideration of the Imperial Government. I remember reading in the papers an answer given by Mr. Burdon to a question put to him as to what had been done upon the Resolutions passed by this House in 1921 on the Esher Committee's report. The net result of the answer, as I gathered it from the papers, was that upon those Resolutions which did not count, this Government had been able to secure the orders of the Government at Home, but on anything that really did matter, it was said to be still under correspondence. I must express my very great regret at the delay which has taken place in this matter. We all recognise the great difficulty there is in breaking the

ice—I would say the huge ice barrier of War Office conservatism—but I do hope that His Excellency the Commander-in-Chief will use every means in his power to press this question again and again upon the attention of the Imperial Government and not desist until he obtains favourable orders. It is one of those matters—upon which our Resolutions were passed with the entire concurrence of His Excellency the Commander-in-Chief, and with the approval of the Government of India, and it is a matter of great disappointment to me—and I am sure to the whole Assembly—that upon a matter like this there should have occurred this unconscionable delay of over two years in coming to a decision. I hope it may be possible for His Excellency to signalise his term of office by announcing the decision to give effect to these Resolutions and by making an effort to carry them into effect. Some of these recommendations which the Incheape Committee have made may possibly have caused His Excellency the Commander-in-Chief some searchings of the heart, but I ventured on the last occasion to appeal to His Excellency as a statesman and I am glad to find that His Excellency has not been slow to respond. He has co-operated in a most whole-hearted fashion with the Retrenchment Committee. But even a layman like me cannot reconcile himself to all the proposals for retrenchment which the Incheape Committee have made. Some of my colleagues on the non-official side will perhaps be surprised to hear this note of disapproval. The question to which I wish to refer is the proposal to effect a retrenchment in the matter of providing improved accommodation for the Indian sepoy. There were proposals under consideration for reconstruction and improvement of the Lines of the Indian sepoys. I have seen several of these barracks and Lines myself on the way to Khyber, at Peshawar, at Rawalpindi and other places, and I may say that some of us take better care of our horses than the Government of India takes of the Indian soldier. They live in miserable quarters through which the burning rays of the sun or the burning winds or the cold of the winter pierces, in huts with thin walls and thinner roofs open to all the inclemencies of the weather. I know that one of my colleagues here suggested that it was a training in endurance for our troops. Logically it should be carried to the point of having an army of emaciated saints, but I do not think that that is a sound policy. If you want to make good use of your soldiers as fighting men you must keep them in good condition; and it is not the way to get the best value for your money or the best service you can for the country to expose your soldiers to the inclemencies of the weather, hot or cold, or to make them suffer such privations and hardships. The Incheape Committee proposes that you should revert to the old arrangement of hutting grants, a system which I have no doubt must have been obviously unsatisfactory and must have been given up on that account. It is somewhat like the silledar system in the Indian Cavalry which has been abandoned. The system is bound to result in very unsatisfactory housing conditions. I was rather sorry therefore to read this recommendation but I reconcile myself to it on the ground of hard times, and I do hope that when our finances improve this question of the reconstruction and improvement of the sepoys' lines will be one of the first to engage the attention of the Government and to receive the sympathy and support of this Assembly.

Another matter in which I should like His Excellency to use all his influence and bring it to bear on Headquarters is that of an equitable, if not a lenient, adjustment of the capitation charges which have risen to an amount nearly three times what they were before the War. We are

[Sir P. S. Sivaswamy Aiyer.]

well aware that prices have risen though during the last year or so there has been a tendency to a slight fall. But the rise in the capitation grant even to £25, which I believe is the latest provisional rate adopted is something which goes very much to swell our non-effective charges, if I may perhaps call them so, and goes to swell our military expenditure. It is that which induced my Honourable friend Sir Dinshaw Wacha to move his proposition for the reconsideration of the Army amalgamation scheme in the other House; I do not believe that the annulment of the amalgamation scheme will effect any greater economy in the recruitment of soldiers. While I do not share that view I feel that this question of the capitation charges is one which has to be hammered at and hammered at till we get an equitable, if not a lenient, adjustment of the charges. I hope that in view of the value which England derives from the experience acquired by her soldiers in India under diverse conditions and the improvement in their fighting qualities, if not in view of our financial condition, the Imperial Government will find itself able to take a broader view of the question and effect a more satisfactory settlement, I mean satisfactory to us.

Sir, I now proceed to make a few observations upon the question of the policy of leaving an uncovered deficit. Speaking for myself, I do not like this policy of leaving an uncovered deficit, and I do hope that the House will not be inclined to follow the course which it adopted last year as a rough and ready expedient for bringing pressure to bear on Government for the purpose of enforcing economy and for the purpose of bringing about measures for retrenchment in our expenditure. But there are two ways of avoiding this policy of deficits. The first way is to avoid a deficit altogether or to minimise it. The other way is to cover the deficit. The Finance Minister told us that the recommendations of the Incheape Committee had not all been received, that the last instalment was to be received only after the presentation of the budget, and that they had not had time to fully consider all the recommendations. I hope that the interval that has intervened since the presentation of the budget and will intervene before the date when the Finance Bill will come on for consideration will be utilized by the Honourable the Finance Minister for the purpose of exploring every possible avenue of retrenchment, every possible direction in which it may be feasible to bring the Incheape Committee's proposals into effect in the course of 1923-24. This would be the most satisfactory method of avoiding the policy of uncovered deficits. The next thing is that, if there is an unavoidable deficit, it has to be covered somehow. It is unfortunate that the Finance Minister should in his inexperience of public opinion in this country, though I am sure he has been assisted by his colleagues in this matter, have thought of resorting to the enhancement of the tax on salt. I hope that the Government will not persist in pressing for this form of taxation. In theory a tax upon the necessities of life is objectionable; politically it is most unwise. I hope therefore the Government will discover some other expedient. I remember it was said by my friend the Honourable Mr. Innes on another occasion that the salt tax had always been looked upon as an ultimate reserve. But there are many powers which you have in reserve which you can never think of using. Could anybody dream of imposing a salt tax in England, or of reviving the window tax or reviving the hearth tax? Of course the British Parliament is constitutionally omnipotent; it can do anything; there are many things which we can theoretically do but which are not practical politics. Well, fortunately or unfortunately, the salt tax will have to be

looked upon as no longer available for enhancement in the financial scheme of this country. There are many things which it is theoretically possible to do, but which are not practicable. To give an analogous case, though not in the sphere of taxation, it is possible for you to reduce the suffrage, but you can never think of raising it again. The question is not so much whether the salt tax will be such a burden upon the consumer that he cannot bear it. It may be or may not be; it is not necessary for me to say whether this one anna per head per annum is going to be the last straw upon the camel's back or not; but it is one of the accepted axioms of politics in this country that the salt tax is an odious impost, and the result of a resort to this piece of taxation will be that the Government will lend a handle to the agitator, and it is not always the wisest thing to ignore the agitator. We have sometimes to take account of his doings and their probable reactions on the public. I hope therefore that the Government will not persist in proposing this method of covering their deficit. Let them think of something else. It may be said, "well, we have explored other ways, our resources are limited, this is the only thing we can do; can you propose anything constructive?" I confess that in my present state of health it is beyond my effort to think of something else. Perhaps it is a fault, but I am sorry I cannot suggest anything. But I duresay the Finance Minister with all the experience he has acquired in the Treasury, and his colleagues with their large administrative experience will be more fertile in suggesting expedients than it is possible for me to do.

His Excellency the Commander-in-Chief: In the altogether exceptional circumstances under which this year's budget has been presented it is hardly necessary for me to give a detailed exposition of the military estimates for 1923-24. The basis on which these estimates have been framed is already known to Honourable Members of this House from the Report of Lord Incheape's Retrenchment Committee and from those portions of the Finance Member's speech of the 1st of March which related to military expenditure. I do not propose therefore to deal with various individual criticisms and queries which have been made by previous speakers in this discussion, except to say that the suggestion of one Honourable Member that the Commander-in-Chief still has several crores of rupees in his pocket ready to take the place of the salt tax is a surmise entirely without a shadow of foundation. Another Honourable Member referred to the possibility of reducing the military budget in the future to 50 crores, as was envisaged in one of the paragraphs of the Incheape Committee's Report. I should like, however, to emphasize the fact, stated in that Report, that the Commander-in-Chief did not subscribe to this recommendation—and I may add that it is unlikely that he will do so. I am sorry that I was not here this morning in sufficient time to hear the commencement of the speech of my Honourable friend sitting on the opposite bench (Honourable Sir P. S. Sivaswamy Aiyer), but I did hear two suggestions made by him, one in reference to the improvement of the barracks for Indian soldiers, of which he has some knowledge, and in which I am in entire agreement with him, the other in which he referred to the capitation grant, and again he has my entire sympathy, and I quite agree that the present temporary arrangement under which the sum has been agreed upon as between the Imperial and the Indian Government is not satisfactory, and I shall use my best endeavours to bring about a final and equitable arrangement. Now I will confine myself in what I have to say to-day to the larger issues of this

[H. E. the Commander-in-Chief.]

problem, and in the few observations that I propose to make, I will endeavour to explain, for the information of this House, the considerations of general policy, military and otherwise, which have rendered possible the economies which are now contemplated. Speaking broadly, the Army estimates of 1923-24 represent the consolidated work of the past year. That time has been largely devoted to a searching investigation of the possible reductions in military expenditure. This House is aware that last summer the Government appointed a Committee under the presidency of my Honourable colleague Mr. Innes to examine the question of reducing the cost of the staff at Army Headquarters. This Committee was followed by the Braithwaite Committee appointed in the autumn for the purpose of recommending economies in the Quarter Master General's Services, and also for the purpose of preparing material for the more comprehensive inquiry which Lord Inchcape's Committee was about to undertake. The Braithwaite Committee included in its numbers Lieutenant-General Sir Walter Braithwaite, then the Commander-in-Chief of the Western Command, Honourable Members representative of both Houses, both this House and the Council of State, and Lieutenant-General Sir Walter Campbell, who has just been appointed Quarter Master General. The composition of the Committee in itself is evidence of the thoroughness with which the Government were determined to attack the question of retrenchment in the great spending departments of the Army, and I should like to take this opportunity of acknowledging the great value of the work that these important Committees performed with great skill and understanding and in a remarkably short space of time.

Finally, of course, we have had the inquiries of Lord Inchcape's Committee in which the proceedings and recommendations of the two previous Committees have been merged. Now, I must assume that Honourable Members of this House have made themselves acquainted with those portions of the Retrenchment Committee's Report which deal with military expenditure. Those who have done so will realise that the reductions proposed are real and substantial, that the whole field of military expenditure has been thoroughly explored and that a considerable reduction in the number of fighting troops, both British and Indian, stands in the forefront of the Committee's recommendations. I think I have on a previous occasion impressed on this House that no considerable reduction in military expenditure in India could be effected without cutting down the number of fighting troops. Last year I told the House that under the conditions then prevailing I could not agree to a reduction in the fighting strength of the Army and I gave my reasons for holding this view. On the present occasion you will find it stated in the Report of the Retrenchment Committee that the reductions in military expenditure include reductions in troops, and that this has been generally accepted by myself. It may be thought by some that my present attitude is inconsistent with that which I felt bound to adopt last year. I wish, therefore, to make it quite clear that, in giving my general concurrence to the Retrenchment proposals, I have been influenced primarily by the financial considerations which must have an important bearing in determining the general policy of the Government. The Finance Member has described very graphically the perils and the dangers of our financial position, and I have been greatly impressed by the paramount need of balancing our Budget this year. I further realise that conditions, both internal and external, have much improved during the past twelve months

and that we are justified in taking risks which we should have been wrong to incur a year ago. At the same time, I do not, and cannot, admit that the Army is either too strong or too efficient for the needs of India. The equipment of the Army has not yet reached the standard of completeness which this Assembly by a Resolution passed in connection with the Esher Committee's Report itself postulated. Again, I do not admit for one moment that the military expenditure of the recent past has been unnecessarily high, and I should like to refer the House in this connection to the observations which the Retrenchment Committee themselves have made on that point. In paragraph 3 of Lord Inchcape's Report the following remarks will be seen:

"We appreciate the great difficulties with which the military authorities in India have had to contend during the transition period from war to peace conditions, when large armies had to be demobilised concurrently with re-organisations undertaken in the light of the lessons of the war. Hostilities with Afghanistan and operations on the frontier intervened whilst demobilisation was in progress and the growing cost of the Army coupled with the deterioration of the general financial condition of the country have more than once necessitated complete revision of the schemes proposed for the future composition, organisation and distribution of the Army in India."

I recognise, on the other hand, that India's first necessity is to achieve a balanced Budget and that no substantial advance can be made in other departments of the State until the financial position has been stabilised. There are times when risks must be taken. The reductions which have been proposed and to which I have agreed do involve a certain degree of risk from an exclusively military point of view, but they are risks which, in my opinion, the Government are justified in taking when confronted with the financial disaster which an unbalanced Budget would force upon this country. I can confidently say with a full sense of my responsibility, as Commander-in-Chief that the risk is one that, in the circumstances, I am prepared to advise the Government of India to accept. The House will appreciate and is well aware of the marked improvement that has taken place in India during the last twelve months both in the external and in the internal situation, and I may remind the House of what I impressed upon them last year, namely, that, before I could conscientiously recommend a reduction in our military forces, there must be a definite and a permanent cessation of violent civil disorder. A great change for the better has taken place and we are in a very different position now compared with 1921-22, when the Moplah rebellion had only just been quelled and the Government were faced with possibilities of serious disturbances elsewhere. It will not be necessary for me to detain the House by any technical comment on the details of the retrenchment to which I have given my general agreement. The facts and proposals which will chiefly interest Honourable Members of this Assembly are clearly stated in the Retrenchment Committee's Report, and a further discussion of them on this occasion would serve no useful purpose, more particularly as it is only the reductions in infantry which have received the approval of His Majesty's Government.

The proposed reductions in Cavalry and Artillery are still under consideration, and no definite conclusions have yet been arrived at. There is, however, one point of special interest and importance which I would wish to emphasise strongly. If the reductions contemplated are carried into effect they will leave practically unimpaired the fundamental organization of the Army in India. This organization has been introduced since the War in the light of the lessons learnt during the War. In collaboration with the Retrenchment Committee I have aimed at a reduction

[H. E. the Commander-in-Chief.]

of a kind which will give the maximum saving of expenditure and do the least possible harm to our military machinery of defence. Obviously the preservation of the fundamental structure of the Army in India is a matter of vital concern both to India as a whole and to the representatives of India in this House. If the structure remains, it is always possible to add to it and to reinforce it in case of emergency.

I should like to take this opportunity of assuring the House that the present organisation of the Army in India is highly efficient and is one of which India may be justly proud. I say this deliberately; and I would add that the system is the result of the devoted efforts of the most efficient body of Staff officers that the Indian Army has probably ever possessed at any period of its history—officers who have been trained during the War, whose capacity was proved in the War and who are imbued with the lessons of the War. The passage I have already quoted from the Retrenchment Committee's Report indicates very clearly the difficulties which they have had to surmount, and the condition of the Army in India to-day redounds very greatly to their credit. I have seen unmistakable evidence of it myself recently in the inspections of troops both on the parade ground and under training. The standard of efficiency has shown a very marked improvement since I came to India some two years ago, and if further evidence were required it is to be found in the results which British and Indian troops on field service have recently achieved in Waziristan.

In conclusion I would say one further word on Waziristan. Last year I referred to the halo of doubt and uncertainty which obscured the situation in that part of the Frontier. I hazarded the opinion that the solution of that difficult problem lay in the subjugation of the Mahsuds by force of arms and the construction of roads through their country. This policy has been and is being carried into effect, and there are definite indications—I cannot say more at the moment—that as a result the object of our policy will be achieved at no very distant date. If a final settlement can thus be effected, and I have every hope that it may, we shall be able to withdraw our military forces during the coming autumn, leave the control of the country in the hands of our Frontier Political officers and thus effect a very considerable saving in our next year's Budget. But in the meantime we shall have built our roads and thus be in a position rapidly to support the Scouts and Khasadars and assist the friendly section of the tribes in case of trouble. Mr. Bray has already explained to you very fully the details of the situation and the general policy of the Government. I need therefore say no more, except that in my view there is a reasonable hope of peace in this turbulent country and a considerable reduction in our financial commitments. I hope the House will weigh carefully the considerations which I have tried very briefly to place before them and will appreciate the efforts which the Government and their military advisers have made at the first propitious opportunity of reducing the burden of military expenditure. We have effected it without sacrificing the essential requirements of Indian defence; but a limited degree of risk is involved. The improvement in the internal and external conditions of the country is such that in my opinion the Government is justified in accepting that risk in order to attain financial equilibrium. (Cheers.)

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, the Honourable the Finance Member has been congratulated so often that it is not necessary to add to the volume of the praise bestowed on him. My own, Sir, is rather a personal one. I congratulate him upon the anxiety he has shown to grapple with a difficult problem, upon the spirit which has animated him and upon the skill with which he has brushed aside many a difficult problem. Sir, this is not the time for bestowing praises when you have only fifteen minutes to deal with the whole situation; therefore I shall proceed at once to speak on some of the subjects which I intend placing before the House.

Before I proceed further, Sir, I must express the disappointment which is felt on this side of the House regarding the failure of Government to appreciate the endeavours of the non-official Members to set right the finance of the country. Sir, last year, notwithstanding ridicule, notwithstanding contempt poured upon us, some of my friends very valiantly pleaded for retrenchment, pleaded that the time had come when the overburdened offices of the Government should be shorn of some of their officers. It was in consequence of that plea, I take it, that the Inchcape Committee was appointed, and therefore, Sir, it would have been but fair if the Government had recognized the efforts made by us to relieve them from a very embarrassing situation. No doubt, Sir, we find our reward in the Report of the Inchcape Committee; but it would have come very gracefully from the Government, if they had recognized that we had done our best to assist the Government out of a very difficult situation.

Sir, what do we find in reading the Report of the Inchcape Committee? That since the year 1913-14 the expenses of manning the various establishments have gone up over 100 per cent. in almost every department of the State. If you look, Sir, at the military expenditure, you will find that there the expenses have gone up from 1913-14, in 1920-21 by 120 per cent. In the case of Railways, it is over 90 per cent. In the General Administration it is 90 per cent. In the Civil administrative departments it is 100 per cent. Even as regards the Ecclesiastical department the expenditure has gone up by 75 per cent. Sir, if time were given us to discuss the Report of the Inchcape Committee, we are confident that we shall be able to show that the cuts should exceed far beyond the 19½ crores which the Committee have recommended; because the

12 Nov. Report shows that there are many avenues for effecting retrenchment which have not been touched by the Inchcape Committee. Before I take leave of the Inchcape Committee's report, I should like to point out one thing which the Committee has done and with which I do not think the House will find itself in agreement, and that is as regards the recommendation to cut down expenditure in the nation-building departments. As regards education and as regards some of the departments which are absolutely necessary for the progress of the country, there ought to be no attempt made to reduce expenditure; for example I am told that the expenditure relating to the Hardinge Medical College is to be reduced by a lakh of rupees. I think it would be a most serious thing to do, and I do not think the House will tolerate or that the country will tolerate the cutting down of expenditure in that department.

As regards the military, Sir, I would like to say a few words. Yesterday we listened to a very eloquent—I think it was too eloquent for this House—but a very eloquent speech from the Honourable Mr. Bray, and

[Mr. T. V. Seshagiri Ayyar.]

to day we have had a well-balanced and a carefully thought out utterance from His Excellency the Commander-in-Chief. If I have followed the utterances of these two responsible officers, and if it is possible for an arm-chair politician to join issue with such great experts, it seems to me, Sir, that they do not realise that there is a possibility of cutting down expenditure beyond those which the Inchcape Committee have recommended. His Excellency the Commander-in-Chief read out to us paragraph 3 of that Report. May I with his permission and with the permission of the House draw attention to the 4th paragraph in the same report? This is what the Committee say there:

"The expenditure which has been incurred in the past may have been inevitable, but the question is whether India can afford to maintain military expenditure on the present scale as an insurance against future eventualities. In our opinion the repeated huge deficits of the last few years in spite of the imposition of heavy new taxation have made it abundantly clear that India cannot afford this expenditure."

Sir, nothing can be more moderate, nothing can be more sober than this condemnation of the huge military expenditure which this country is shouldering. In peace time, when everything is normal, it is not necessary to finance this huge military expenditure; as my friend Mr. Rangachariar put it—an expenditure which costs you 50 per cent. of the income of the country. I think, Sir, that His Excellency the Commander-in-Chief and the Government at Home and the Government here should devise means by which a great deal more of this expenditure can be usefully cut down; I hope His Excellency the Commander-in-Chief will apply his mind to further cutting down the expenditure, so that this country may not continue to groan under this heavy burden which is sure to starve every other department of the State.

Sir, yesterday the Honourable Mr. Bray said that statesmanship abhors a vacuum and, if I followed him rightly, he seemed to suggest that it was the intention of the Government to civilise the Afridis. Now, Sir, if that is the settled policy of the Government, it is desirable that the House and the Government should realise what it would land us in. If you are going to fill up the vacuum, you will have to fill it up by untold sums of money and by the sacrifice of innumerable lives

Mr. Denys Bray (Foreign Secretary): If I may venture to interrupt, Sir. When I referred to the filling up of the vacuum I did not refer to filling up of the vacuum by a forward policy. I thought I made it perfectly clear.

Mr. T. V. Seshagiri Ayyar: The Honourable Mr. Bray says that it is not a forward policy that he advocated; but if I heard him rightly, he first said that there was one kind of forward policy which would go up to the borders of Afghanistan; he then said there was another kind of forward policy which meant civilising the Afridi. I think he said that, if I remember aright. Now if you are going to civilise the Afridi—I mean the Mahsuds—the result of it will be that this country will have to bleed white to the whitest limit. I think you will find that you will have to starve expenditure in every department of the State, if your scheme of civilising the Mahsud is to be taken in hand, and therefore I hope the Government will realise that it is impossible to proceed further in the path of civilising the Mahsud. I think some attempt ought to be made to cut down military expenditure in that direction.

Sir, there is another matter on which I should like to say only a word, and that is this: the Inchcape Committee has drawn attention to the fact that by bringing in the new Department of Railways, there will have to be a readjustment of the portfolios in the Government of India. I am glad the Inchcape Committee have not recommended the creation of another office, because that would be intolerable. I take it that the object of that Committee's report is that the existing offices should be readjusted. There may be eight Executive Councillors, not nine. If that is going to be undertaken—and I am quite sure it is going to be—I would make a suggestion, namely, that some of my Indian friends who are in the Executive Council may be trusted to discharge the duties of some of the administrative posts under the Government of India. I find sitting here day after day, the Honourable Mr. Innes, the Honourable Sir Malcolm Hailey and the Finance Member who are growing thin by the heavy work they have to do, and I find that my friends, the Honourable Mr. Chatterjee, the Honourable the Law Member and the Honourable Mr. Sarma are growing fat from want of work; and I think it is time that Government so arranges their work that one section may not grow thinner and the other fatter. The thinner men should have more rest than they enjoy. That is a suggestion which this part of the House is anxious should be conveyed to the Government and I am quite sure it will be considered.

There is one other matter which I should like to touch upon and that is railway policy. Sir, I would like to give the House some figures. Since 1858, in consequence of having to pay guaranteed interest, this country up to the year 1900 disbursed from the general exchequer something like Rs. 77 crores. From 1900 onwards there have been surpluses which resulted in giving to the country about Rs. 66 crores—I think my figures are correct—and there is still a deficit of Rs. 11 crores to make up. That is to say, the country has had to pay about Rs. 11 crores from the general exchequer so far as railways are concerned. Since the year 1921 and 1922 the income has again shown a tendency to go down and the result, I believe, is there was a deficit last year and there will also be a deficit this year unless some attempt is made to cut down the expenditure. As I said the expenses have gone up by more than 90 per cent., and it is desirable that a serious attempt should be made to cut down that expenditure. In this connection I may draw the attention of Government to the fact that in other countries some attempt has been made to reduce the rate of third class passenger fares. In England when they found that the income was not up to the mark, what they did was to reduce the fares; and I found the other day that in Mysore when they found that the income was going down they were going to reduce the passenger fares. I hope the Government will do something in the same direction. After all one must remember, although as was recommended by the Inchcape Committee it is desirable that our railways should bring in an income of 5½ per cent. on the capital outlay, that it is a public utility department; we have to manage this department in the best interests of the people who have to travel; that ought not to be forgotten, and I dare say that if we keep this in mind and reduce the passenger fares we will find that our income is larger than it is at present. This is a matter, Sir, to which the Honourable Mr. Innes will have to give his attention. One other subject more, Sir—I am not looking at the clock, but I am looking at the face of the President, and that is an index that my time is almost up—there is one more matter, Sir, on which I should like to say a word, and that is this. When the Honourable Sir Basil Blackett was appointed

[Mr. T. V. Seshagiri Ayyar.]

to his responsible post, there was a feeling in this country that on the question of exchange he was going to bring a fresh mind to bear and that he would settle the difficulties with which India had been confronted for a long time as early as possible. But his speech in introducing the Budget has been received with great disappointment all over the country on this subject. We have had what is called a settlement of £s. exchange for a long time. That has been found to be altogether unworkable. Two years ago, Sir, in Bombay it was said that the merchants were not able to meet their commitments and that they were behaving dishonestly. The truth is that there has been such a fluctuation in the exchange that without being reduced to bankruptcy it was impossible for these merchants to have met the commitments into which they had entered. Commercial morality is suffering, the country is suffering and everything is being dislocated; a serious attempt must be made to stabilise exchange. I think, Sir, the time is very propitious for undertaking that step, and with the ripe experience which Sir Basil Blackett has upon this matter, I hope he would take upon himself at the earliest possible opportunity to settle this difficult question.

Sir, I wish to say a word more generally upon the various recommendations of the Incheape Committee. As I began by saying if one reads the report, it would be abundantly clear that they have not given attention to all the possible modes of effecting retrenchment in the country. It is felt on this side of the House that if, in carrying out the recommendations of the Incheape Committee, some attempt is made to associate the Non-Official Members in effecting retrenchment, a great deal more can be done than can be done by the officials themselves. The officials... (At this stage Mr. President rose) Sir, I am sitting down in a minute. The officials, if they are left to themselves, are likely to feel tender towards their own subordinates. But if they are associated with Non-Official Members, they will find that their task is made easier and that they will not be subjected to the same amount of reproach as they would otherwise be.

Dr. H. S. Gour (Nagpur Division : Non-Muhammadan): Sir, about two years back, when first this Assembly assumed office, it was confronted with a deficit Budget, and the Members of the Assembly then pointed out what has since become obvious that the Government's first duty was to balance its Budget. We then pointed out that the military expenditure of the country had far exceeded its paying capacity. Last year, in the second year of our Budget, we once more returned to the charge. We pointed out that the military expenditure was excessive and that the appointment of a Retrenchment Committee was essential for the purpose of restoring equilibrium in the Government of India's Budget. Later on, we followed up this suggestion by tabling a Resolution for the appointment of a Retrenchment Committee and in the teeth of opposition on the part of the Government we carried that Resolution. The result has been the appointment of a Retrenchment Committee. My Honourable friend the Finance Member, when he speaks of the storm and stress through which his colleagues have laboured during the last two years, could not have forgotten that we were ploughing our lonely furrow in the first and in the second year of the Budget, pressing upon the Government the necessity of balancing their Budget and of retrenching their national expenditure. Ours was the voice in the wilderness in the first year and the second year, and it was only after we pressed to the vote and carried by our majority the Resolution on the appointment

of a Retrenchment Committee that Lord Inchcape's Retrenchment Committee was appointed. My friend Mr. Seshagiri Ayyar is perfectly right in saying that my Honourable friend must be suffering from lapse of memory if he has not adverted to what is written large upon the pages of the Indian Hansard. But, Sir, when we look at the question from the standpoint of the tax-payer, what do we find? The military expenditure, which stood in 1913-14 at 29.70 crores, had gone up in 1921-22 to 77.87 and in 1922-23 to 72.29 and in the Budget for the next year, after the reductions proposed, it stands at 62 crores. Last year we pointed out that in the Brussels Financial Conference it was resolved with the full concurrence of the Government of India and the representatives of the India Office that no nation could afford to pay more than 20 per cent. of its gross revenues on the upkeep of the Army, and even 20 per cent. was excessive. Now, Sir, if we apply that test, what is the result? The expenditure on the Indian Army works out at 44 per cent. of the gross revenue even if the recommendations of the Inchcape Committee are fully carried out; and it is more than double what the Brussels Conference regarded as perilous and leading to national bankruptcy. I have not forgotten, Sir, the gross revenues of the Government of India and of the Provinces. If they stand in the neighbourhood of 200 crores, this expenditure would still be far in excess of what was admitted to be the maximum at the Brussels Conference. Now, Sir, His Excellency the Commander-in-Chief has drawn attention to the fact that the Army of India cannot be reduced without due regard to efficiency. May I point out to His Excellency the Commander-in-Chief that immediately after the Mutiny the Army of India was re-organised and fixed at 65,000 British and 140,000 Indians and the Army to-day is 71,702 rank, 902 reserves, a total of 72,622, that is, 7,622 more than what was proposed at the close of the Mutiny, of British troops, and as regards Indians we have 170,968 rank, 15,529 reserves, a total of 186,497, that is, 46,497 more than what was settled as the maximum in the post-Mutiny re-organisation. May I point out, Sir, in this connection that those were the days when we had to take account of what was then characterised as the Russian menace, we had to take account of the frontier tribes, and we had also to take account of a hostile Afghan nation. We have now a treaty with His Majesty the Amir of Afghanistan. Russia is in the military sense no longer able to disturb the peace of this country, and so far as the frontier is concerned, the frontier remains to-day what it was in the post-Mutiny period. What justification, then, is there for the increase of the Army from those days to now? Then, Sir, in those days the principle laid down for the proportion of White and Indian troops was somewhere in the ratio of 1 to 2, and it was adhered to upon the assumption that the Indian troops might again break out into another mutiny, and therefore it was necessary to maintain a number of white troops as a counterblast. But, surely, Sir, after we have heard what His Excellency the Commander-in-Chief has said of the gallantry and loyalty of the Indian troops tried in the arena of war, what justification is there for maintaining that ratio between the white and brown soldier? His Excellency the Commander-in-Chief could not be unaware of the fact that the white soldier is the costliest soldier in the world. The Inchcape Committee have pointed out that he costs more than Rs. 200 a month, and he is therefore at least $5\frac{1}{2}$ times as costly as the Indian soldier. This House therefore demands to know why the British soldier should not be replaced by the Indian soldier, and why the white British officer should not by the gradual process of elimination be replaced by Indian officers. That I submit is the only means of effecting economy in the military expenditure of this country. Frequent references

[Dr. H. S. Gour.]

have been made both by His Excellency the Commander-in-Chief and other speakers to passages in Lord Inchcape Committee's report. May I, Sir, read one sentence from the very first page of that report. It says:

"So long as peace conditions obtain, the first essential thing is for India to balance her budget, and this can only be secured by a very substantial reduction in the military estimates."

The question therefore arises—Has there been a very substantial reduction in the military estimates? If Honourable Members will turn to the statistics I have given, they will find that far from there being any substantial reduction in the military estimates, the expenditure is far in excess of what it was a few years back. I have informed the House that in 1913-14 the percentage of expenditure to the total revenue stood at 23.5. In 1917-18 during the War year our expenditure was 43.14 crores, and Lord Meston in his Award fixed 42 crores as the normal military expenditure. But a few years later that expenditure had risen from 42 crores to the neighbourhood of 72 crores. What justification I ask is there for this appalling rise in the military expenditure? Lord Inchcape himself, or rather the Lord Inchcape Committee write with reference to military expenditure in the following terms:

"Since 1913-14 the fighting efficiency of the Army has been enormously increased by the introduction of modern rifles, machine guns, etc., and that a large portion of the Army is maintained for internal safety."

I listened, Sir, to a lecture delivered by His Excellency the Commander-in-Chief and there he pointed out that roughly speaking one-third of the Indian Army was maintained for the internal security, that another third was what are called covering troops and the remaining one-third was for frontier and other defences. Now, Sir, I beg to ask, why should not this internal security force one-third of the Army maintained for the maintenance of internal security be replaced by the police. I ask why should the military be maintained for the purpose of securing internal peace which is primarily the object of the police? Honourable Members will bear me out when I say the mere maintenance of this Army is an incentive to the civil authorities to draw upon the military in time and out of time when it is not necessary for the peace and security of the country that they should be drawn upon. It is the duty of the civilians to maintain peace and order in the country and if they require any extraneous assistance they can have the armed and unarmed police, but it is not the primary function of any army, much less a national army to maintain internal peace and order. That I submit is not the function of any army in the world and it should not certainly be the primary function of the army in India. If this fact is borne in mind, we shall have a very substantial reduction in the military expenditure of this country. I have already pointed out that if the British troops are replaced by Indian troops, and if the Army is reduced by one-third and replaced by police, armed and unarmed, the cost would then approximate to what this country is able to bear. But when I read in the Honourable the Finance Member's speech a reference to the fact that the Army in India must not be altered so as to essentially impair its structure and organisation, I felt some doubt whether the policy of the Government of India is not to perpetuate the policy adumbrated at the close of the Mutiny and since persisted in in spite of the protests of the people's representatives in this country. Turning, Sir, from the military to the civil side what do we find? We find that in almost all the departments the

administration consumes the bulk of the nation's revenue. Let me give Honourable Members some startling figures. I shall only trouble the House with the figures for the last four years. In Posts and Telegraphs in 1920-21 the income was 9.61, expenditure 7.57, profit 2.04, percentage of expenditure 78; in 1921-22 income 9.55, expenditure 8.98, profit diminished to .57. Expenditure rose to 94 per cent. In 1922-23, income 10.23, expenditure 9.53 profit dwindled to .70, expenditure stood at 93 per cent. In 1923-24 the Budget under discussion, income 10.71, expenditure 8.68, profit 2.03, percentage of expenditure 80. Now, in this connection what do the Incheape Committee recommend? They recommend a reduction of 1.37 out of 9.53 crores; net reduction 50 lakhs. Now take another department—Customs. In 1921-22 income in crores 34.40, expenditure 65.87 lakhs, percentage 19.1. In 1922-23 income 42.30 crores, expenditure 72.74 lakhs, percentage 18. In 1923-24 income 45.09 crores, expenditure 77.19 lakhs, percentage 18. Now take again the Income tax department and the figures here are still more startling. In 1921-22 income 18.74 crores, expenditure in lakhs 20.50, percentage 1.0. In 1922-23 income 18.69 crores, expenditure 47.01, percentage 2.5 and now look at the next year's figures. In 1923-24 income 19.04, expenditure 63.79, ratio 3.3. And now take the railways the last of all.

Mr. President: I must warn the Honourable Member that he has exhausted his time.

Dr. H. S. Gour: I shall finish very soon. I shall give the Honourable Members the figures for railways. I shall only give for 1913-14 and the last year's figures, though I worked them out for the last 15 years. In 1913-14, gross receipts 56.31 crores, expenses 29.35, percentage 52. In 1921-22, gross receipts 81.69, expenses 65.66, percentage 80. In 1922-23 revised receipts 92.7, expenditure 66.33, percentage 72 and next year income 95.57, expenditure 6.51, percentage 69.6. I submit, Sir, that this is an excessive expenditure upon the raising of revenue and upon the management of the commercial departments of the Government of India. Lastly there are the recommendations of the Incheape Committee. Following the same train of reasoning, Honourable Members will find that while the Retrenchment Committee have left the general administration, audit, Ecclesiastical and Political Departments almost untouched, they have attacked these scientific departments, such as education, medical, public health, industries and the rest. Now the General Administration expenditure in 1921-22 was 128.48.

Mr. President: I must ask the Honourable Member to draw his remarks to a close. He is still embarking on details.

Dr. H. S. Gour: I will take only two or three minutes more.

Mr. President: I have given the Honourable Member more than two or three minutes.

Dr. H. S. Gour: I will just point out that while in the general non-paying administrative departments the Incheape Committee have made no substantial reductions, they have practically applied their axe to all the nation-building departments and cut out education, medical, public health, industries and the rest. I ask the House whether this is the right method of effecting retrenchment. I have no doubt that the House will unanimously support the proposal made by my Honourable friend Mr. Seshagiri Ayyar, namely, that the cuts should have begun first with the non-paying

[Dr. H. S. Gour.]

departments and not with the nation-building departments such as education, medicine and public health and I hope that the Honourable the Finance Member will bear that fact in mind. Finally Sir, while we have no doubt to congratulate the Honourable the Finance Member upon the lucid presentment of the Budget we cannot disguise the fact that we shall not be in a position to impose any addition to the existing salt tax. To use the expression I used in another connection the salt tax is *res judicata*. It was sought to be imposed last year and we vetoed it.

Mr. A. V. V. Aiyar (Finance Department : Nominated Official) : It may be convenient to the House if I at this stage deal with some of the points which have been raised by Honourable Members in the course of the discussion yesterday and this morning. I know, Sir, that the time of the House is very precious to-day and I will make my remarks as brief as possible. If I have followed the discussions correctly, there is a general satisfaction with the amount of retrenchment which Government have found it possible to effect in next year's budget. There is, I believe, also a general agreement, with the possible exception of Mr. Chaudhri, that we should not leave any part of the next year's deficit uncovered. Some of the Honourable Members however hold a belief that this can be effected by further retrenchments beyond those already made and without additional taxation. Speaking on the last point, Sir, several Honourable Members yesterday referred to several hidden crores in the budget here and there, and one Honourable Member went so far as to suggest that the deficit was purposely put in to produce a false alarm. I wish this were the case. If I may say so, and I do so with great respect, I rather think that the comparatively favourable character of the budget has produced in the minds of Honourable Members a false sense of security. I claim some knowledge of the figures in the budget, and I have been at some pains since the discussion yesterday to discover some of these crores. I have not so far succeeded in discovering even lakhs, not to speak of crores of hidden money. I think, Sir, before these crores have been brought to light, it will not be safe for the House to act on the assumption that the crores are there.

Speaking of the Retrenchment Committee's report, I wish to solve two points in regard to which doubts appear to exist in the minds of Honourable Members. The first is that the deficit of 4½ crores inserted in the budget allows for all the retrenchments which the Government of India expect to be able to effect in the course of the next year. These consist of 260 lakhs of reduction in the budget figures for the next year which had already been taken into account in the civil budget. A further reduction of 4 crores which the Government of India entered in lump on the 1st of March pending distribution among the Departments and a further reduction of 5.75 crores in the military budget, a total of 12.35 crores. Therefore the deficit of 4.26 crores assumes that the Government of India will effect during the course of next year all the retrenchment proposed by the Retrenchment Committee except to the extent of the unavoidable delay involved in bringing them into effect. The second point refers, Sir, to the remark which fell from Mr. Seshagiri Ayyar this morning that the Retrenchment Committee have left unexplored several avenues of retrenchment. The Committee, of course, knew their business best, and as my friend knows, they have throughout the report entered certain figures which they think ought to go into the budget for next year; and if they left out any particular item for subsequent investigation it is because

they knew very well that they could not be brought into effect in time for the next year's budget.

Mr. Rangachariar, Sir, made certain specific suggestions which he thought would secure equilibrium in the budget without additional taxation. If I followed him correctly, he suggested a further reduction of military expenditure, a reduction of $1\frac{1}{2}$ crores on the railways, a further reduction of 1 crore in civil expenditure and the removal of the railway annuities from the revenue portion of the accounts. I need not speak about military expenditure, because that has been dealt with by His Excellency the Commander-in-Chief. As regards railways, I am afraid the suggestion is based upon a misapprehension. It is true that the Retrenchment Committee proposed a total reduction of $4\frac{1}{2}$ crores, but that was on the budget figures for the current year. Of that reduction 1·20 crores has already been given effect to in the original budget figures for the next year. So, with the lump reduction of 3 crores which we now propose, it makes a total reduction of 4·20 crores against 4·59 crores proposed by the Committee. The difference is thus 39 lakhs; a very different figure from 1·50 crores which Mr. Rangachariar mentioned.

As regards civil expenditure, Sir, the House will no doubt indicate in the course of the discussion of demands next week the particular directions in which they think further reductions possible. But as I have already said, the figures for which we propose to ask for the vote of the House are those which have been arrived at after taking into account all the reductions which the Retrenchment Committee propose. If therefore a further reduction of 1 crore is to be made it must be made in one of two ways, either by further reductions to the extent of 1 crore beyond those proposed by the Committee, or if the House thinks this possible, by bringing into effect the greater number of the recommendations of the Committee much sooner than Government anticipate it will be possible to do. Speaking frankly, Sir, I think the possibility of any further substantial saving in civil expenditure beyond that which has been put into the budget is very remote.

There remains, Sir, the suggestion about railway annuities. This question was considered last year and since then the House has had an opportunity of studying the correspondence with the Secretary of State on this question. It was placed on the table of this House in reply to a question by Mr. Joshi and it will be found printed in the proceedings of this House of the 6th September, 1922. The simple reason why we cannot accept that suggestion is that these annuities are of the nature of sinking funds and sinking funds are recognised to be a legitimate charge against current revenues. If Honourable Members will kindly read the Despatches printed in the proceedings I have referred to, they will find ample reason why we are not able to accept that suggestion. I may put another consideration in this connection before the House. The House will remember that the year before last in dealing with the budget here we transferred the capital outlay on the Telegraph Department from the revenue to the capital section of the accounts. Again last year we transferred to the credit of revenue the interest on currency reserve investments; and further this year we are putting to the credit of revenue the interest on gold standard reserve investments. The relief to revenue from these three sources totals 5·12 crores and I suggest, Sir, that we have gone sufficiently far already in the direction of securing relief to the revenue account by a mere manipulation of the figures.

[Mr. A. V. V. Aiyar.]

A few words, Sir, about the additional taxation proposed next year and I have finished. Speaking of additional taxation I am reminded of the fact that no less than 47 Honourable Members of this House gave notice of a Resolution early this Session recommending the imposition of additional taxation in order to wipe off the provincial contributions. It would be interesting, Sir, to watch the attitude of those Honourable Members when the Finance Bill comes up for consideration. If that Resolution was meant seriously, the proposal put forward by Government affords the surest way of achieving that object. If that proposal is accepted, it is reasonably certain that the contributions will be wiped off not in six years but in a shorter period. On the other hand, if it is not accepted, the remission of the provincial contributions must, as a corollary, be deferred to a more remote date.

Just two more points, Sir, which I wish to mention. Looking at the question of taxation from the orthodox point of view which Mr. Ginwala attributed to us yesterday, I cannot find, Sir, any other single source of taxation which will give us the money we want, that is 4½ crores. We will have to put together a number of expedients. Some of them are of doubtful expediency. We had instances of this yesterday. One Honourable Member proposed an increase in the cotton excise; it was received with murmurs. There were murmurs again when another Honourable Member proposed an increase in the import duty on cotton goods. Even if satisfactory substitutes are found, I will not be surprised if eventually the House finds that it has gone through the form of passing additional taxation without giving us the money we want.

One small point, Sir. Mr. Seshagiri Ayyar referred to a proposal of the Retrenchment Committee to reduce the contribution to the Hardinge Medical College. I may not have read the Report carefully, but I have not been able to find anything about it in the Report.

Sir Montagu Webb (Bombay: European): Sir, the Honourable Member in presenting his Budget claimed the privilege of a new Member. May I join with other Members of this House in saying that we heartily welcome him in our midst bringing as he does to the study of the problems on which we are engaged, not only a fresh mind to bear upon the Indian situation but one fortified and strengthened by personal familiarity with the far greater and more puzzling complications of money and finance on the Continent of Europe. I must at the outset express my whole-hearted admiration for the courage that he has shown in venturing to come to India at this particular juncture to help us in putting our monetary problems right. Undaunted by a long succession of most appalling deficits and also by a rupee,—a fickle, elusive rupee, capable of doing anything from a shilling to two shillings, he nevertheless has addressed himself to the work of gathering in the harvest of the past.—a harvest, as he truly and fairly said, sown by his predecessors, predecessors not only in India but also, I would add, at the India Office. The results have been very much what we had anticipated,—accounts wherein the revenue expectations have disappointed us, leaving us in a worse position than we were in a year ago, and a Budget containing the same old noxious features with which we have become so familiar in the past, yet another deficit, and yet another proposal for additional taxation! I should be concealing the truth, Sir, if I did not say at once that the Budget gave us rather a chill directly we heard it. But, on going through it, Sir, we find that after all it is not

such a bad Budget. In fact, I am inclined to think that possibly many people may think it a very good Budget. If perhaps it is not as good as all of us may desire, at any rate it has many good features and I hope this House will pass it, if not exactly in its present form, then perhaps modified in some small degree.

I take it, Sir, that nobody in this House would think of holding the Honourable Member personally responsible for the state of affairs in which we now find our finances. (*An Honourable Member*: "Not at all.") He very rightly and fairly protested that the two months in which he has been in this country were hardly sufficient in which to enable him to prepare a Budget. Well, Sir, if two months are not sufficient, what are we to say of the two or three days only in which Honourable Members have had to study the five thick volumes of statistics and material supplied with the Budget, including the large 300 paged volume of the Inchcape Report? I should like, Sir, at this moment to say that I have endeavoured to read through and study the whole of that Report and the first impression left on my mind is that this is the most valuable document that Government have published for many years past. Apart from the many penetrating and illuminating suggestions and comments on the work of the various Departments of Government made by the Committee, the fact that they have recommended a retrenchment of nineteen and a quarter crores in our expenditure is a great thing. If that retrenchment can be carried out without seriously affecting the efficiency of the administration, then indeed, Sir, will the Inchcape axe have fallen with effect. I think, Sir, that everybody in this House and the whole of the public of India should express their gratitude and indebtedness to Lord Inchcape and his Committee, all of them leading business men, who have devoted their time and talents to the solution of this problem and laboured so strenuously to bring about the desired result. And I think we ought not to forget, Sir, to congratulate Dr. Gour of this House, who is responsible for putting forward the motion on which this Retrenchment Committee was appointed.

Now, Sir, the Honourable the Finance Member said in his Budget speech that it was no use crying over spilt milk and that we should not expect him to go back and delve very deeply into the past. That, Sir, is quite true; but I will venture to recall one or two matters in the past in order that we may have a better understanding of the position with which we are now dealing. First of all, I would remind the Honourable Member that for over two and a half years after the outbreak of war, no War Loan was raised in India by the Government of India. Now, what was the effect of that omission? During that period the Government of India were paying out money the whole time on behalf of the British taxpayer without collecting any money in the form of loans to pay for the war. I do not know if it is everywhere realised in this House that the British tax-payer during the war paid this country very nearly two hundred and fifty millions sterling for services and goods supplied for war purposes. Now, the effects of paying out all that money in India without at the same time collecting the money in the form of War Loans were two. First of all, we very nearly at one time ran out of currency altogether. There was one never-to-be-forgotten Saturday in Bombay when the Currency Office very nearly suspended specie payments. That situation was followed by the issue of a large quantity of paper money, and an enormous coinage of silver to restore the currency. The ultimate result was that prices in this country were forced up to higher levels than

[Sir Montagu Webb.]

they might otherwise have reached had this particular financial policy not been carried out.

Now this condition of high prices is most important. For it is high prices which are the cause of half our difficulties, probably of 1 P.M. 75 per cent. of the difficulties with which we are faced at the present day. I was very glad to notice that the Honourable Member made a reference, in fact more than one reference, to the level of prices in this country, because the purchasing power of the rupee in India is of far greater importance to the great mass of the people of this country than the purchasing power of the rupee out of India; that is to say, in relation to the pound sterling. I consider that it is much more important that the rupee should not lose its purchasing power in India,—that prices should not so rise, that the necessities of life are out of the reach of the great mass of the poor people,—in short, that it is much more important that the rupee should be stabilized in India than that it should be stabilized in relation to currencies out of India; although as a matter of fact, most attention is usually concentrated upon our foreign exchanges. And in this connection, I may say, Sir, that I am fully in accord with the Finance Member with regard to our foreign exchanges. Firstly, I agree with him that there is no sanctity in any particular rate,—2s., 1s. 4d., 1s. 3d., 1s. 2d.—and, further, that I am in accord with him that the time has not yet come to attempt final stability in our foreign exchanges. I think, that if Honourable Members will study the present condition of Europe,—if they will study the dependence of our foreign exchanges upon our exports to Europe and then finally if they will take into consideration our external, sterling debt, they will see very clearly that the moment has not come for attempting to stabilize our foreign exchanges. It is quite possible that we should fail! In this connection I notice that the Honourable Finance Member says that if we were to stabilize exchange at 1s. 4d., internal prices would have to go up. I cannot help thinking that that is a slip of the pen (*The Honourable Sir Basil Blackett*: “No.”), that the Honourable Member intended to say that prices in India would have to go down. The reason is this, that prices are already up; prices in India have been 100 per cent. and more above pre-war levels, and what is taking place now is that prices in India are gradually but steadily going down. If we could fix the rupee at 1s. 4d., then prices in India would have to go down to pre-war levels. The fact that prices are at present over 50 per cent. up, and that the probability is that they will not return to pre-war levels for a long time, if ever, is a good argument for fixing the rupee, or trying to fix the rupee, at 1s. 3d. rather than 1s. 4d.

In this connection I should like to say, as there is a good deal of discussion in the West of India about the foreign exchanges, that the uncertainty, I will not say the danger, which is before us at the present moment is not that Government may not be able to raise the rupee to two shillings; it is not whether 1s. 4d. is the most suitable point at which to attempt to stabilize the rupee; it is whether Government can prevent the rupee from slipping back to substantially below 1s. 4d., possibly to one shilling. That is the problem; that is the uncertainty; that is—some people would say—the danger which is before us.

Now, Sir, I am very glad to see a reference made by the Honourable Member to the desirability of stimulating the investment habit in this country. That is certainly one of the means by which this country can

progress in all directions. I can only hope that, holding the views he does, he will support the Resolution which I have attempted to bring forward more than once in favour of Bonus Bonds. Surely, Sir, it is business-like, to take advantage of the universal desire to win a prize by issuing Bonds in a form whereby some small portion of the interest can be distributed in the form of bonuses thus stimulating the investment habit. (*A Voice*: "That is gambling").

Now, Sir, I come to the Budget for next year. I should like to make, first of all, a few comments on the form in which the Budget has been presented. I will commence by saying that I think that it is wrong,—radically unsound that the accounts of our business undertakings,—the accounts of our commercial Departments, should be mixed up with the accounts of the general administration. I think, Sir, that they should be entirely separated. Not only are the positions and financial results of our State commercial undertakings greatly obscured by the present way of showing the accounts, but the true cost of administration of this country is magnified out of all proportion to reality. The Honourable Member has on this occasion unwittingly added to the distortion by mentioning figures of *gross* expenditure instead of *net* expenditure. I confess that when I heard him say that our expenditure next year was estimated at 204 crores, I received a terrible shock. The expenditure as we have been accustomed to speak of it, is only 130 crores; and if you take out of the Budget the expenditure on the Commercial Departments—Railways, Posts and Telegraphs, Forests, etc.,—then the actual expense of administering this country is only a trifle over one hundred crores, that is to say, about £66 million sterling, per annum,—a decidedly small sum for a country of the size, wealth and population of India.

Now, Sir, what are these Commercial Departments. I mentioned just now that they are the Railways, the Posts and Telegraphs, and the Forests. May I read to you what Lord Incheape's Committee say in their Report about the Forest Department:—"The Government of India are in possession of a very valuable forest property. We have found it impossible to obtain any satisfactory information either in regard to the working or the financial results of forest operations. We consider it is essential that forests should be managed on commercial lines"; and, lastly, "The accounts of the Department should also be placed on a commercial basis." Now, Sir, exactly the same remark applies to the accounts of our Posts and Telegraphs and to the accounts of our Railways. I should like to explain, Sir, if I may, what a business man means by putting the accounts on a commercial basis. In the business world, where we are familiar with profit and loss accounts and balance sheets, what we want to see is the income from our commercial Departments placed on one side of a Profit and Loss account, and the expenses of earning that income on the other side, the balance being carried to a Balance Sheet wherein on the liability side we show our debts,—our capital outlay expended in acquiring or building our railways, in developing our forests, in erecting our public buildings, and on the other side of the Balance Sheet, a list of our assets with the present day values of our railways, with their plant, lines, permanent-way, rolling stock, lands, buildings, and so forth, our telephones, our telegraphs, our wireless installations and all public buildings connected therewith, our stocks of saleable timber, etc. I venture to say that if those accounts were separated from the general Budget, and the businesses run properly we should find not only a handsome surplus in the profit and loss account, but we should find a still more handsome surplus of assets over liabilities that

[Sir Montagu Webb.]

would add enormously to the credit of this country, not only in India but out of India, thus facilitating the raising of further capital. I commend this suggestion to the consideration of the Honourable Finance Member. Now, Sir

Mr. President: The Honourable Member has exceeded his time.

Sir Montagu Webb: I am sorry; there are two or three very important matters to which I should like to draw attention at length but I will now compress them into two minutes. First of all, with regard to the railways. Lord Inchcape's Committee have advocated a severe cut under the heading of Railways. I think this cut will be regarded with very great apprehension in many business quarters, especially in the case of the North Western Railway, which I am surprised to see has been classed as an "unremunerative" railway. I should like to point out that the North Western Railway includes in its system over 1,500 miles of strategic lines. I should also like to point out that it is equipped for military mobilisation on the North-West Frontier; and further I should like to mention that for the last three years the export of wheat from India has been prohibited for reasons not concerned with the North-Western Railway, but for political and economic reasons which concern all-India. If all those matters be taken into consideration, Sir, I think it will be seen at once that statistics based on the traffic of the last three years and not considering the 1,500 miles of strategic railways are not a reliable or accurate basis on which to decide whether that railway is remunerative or unremunerative.

The other matter to which I would like to refer briefly is Military Expenditure. I said just now that if we took out the commercial accounts from the general Budget, our expenditure was only about 100 crores. Of that 100 crores, 62 crores are to be devoted next year to military expenditure. Now, at first glance that looks like 62 per cent. But I would remind the House that in calculating the proportion of military expenditure to the whole, the expenditure of all Provincial Governments must be taken into consideration. If that expenditure be taken into consideration, then, Sir, our Military Services cost only about—I worked it out at about 33 per cent. Now thirty-three per cent. is certainly higher than we would like to see it, but we must all remember that conditions in this country are very different from what they are in the United Kingdom. Not only have we great numbers of illiterate, ill-informed people to deal with, but also great differences in race, creed and caste that are all liable to develop difficulties, so that great proportions of the population are liable to combustion. Then too, we have the North-West Frontier. I think these outstanding and unquestionable facts have all to be taken into consideration.

If you will allow me to say so with regard to the deficit on the Budget, Sir, I should urge that Government abandon at least a portion of the proposed Salt tax. I would suggest in place of it, Sir, to be brief, the possibility of a small export tax on petrol. I do not think it would bring in very much, but I am not yet satisfied that it could not be levied to advantage. I would further suggest a four annas duty on silver. I know some of my friends in Bombay do not like the idea of a return to that 4 annas import duty but I would assure them that if they feel that the four annas duty is likely to depress the sterling value of silver, I would urge that the one

rupee note be abolished and that one rupee silver coins be substituted. This will mean an increased demand for silver. The one rupee paper note is quite unsuitable for a tropical country in peace time; I am glad to see in the Incheape Report that the Controller of Currency says that it is more expensive to maintain one rupee notes in circulation than one rupee silver coins. Those are a few suggestions; the other is that the proposed salt tax be at least halved. ("No, no.") If the silver duty be imposed and a small tax levied on petrol, and savings be made elsewhere, we shall be able to balance the Budget; and I submit to this House that we **MUST** balance this Budget.

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadan Urban):

Sir, I am afraid the task of dealing with the Budget of this year has been rendered more or less easy by the report of the Incheape Committee. We do not find, for instance, Member after Member getting up as they got up last year and the year before last asking for cuts in this department and retrenchment in that department and so on. We find that discussion is focussed on whether it is possible to have a further cut to do away with the deficit and on the point whether the salt tax should be accepted by this House or not. We have also the usual criticism on military expenditure rendered less forcible, I think, because of the proposals made by the Retrenchment Committee. And so, one finds that the Retrenchment Committee has certainly carried out an admirable piece of work in submitting this report, and I join with those that have congratulated not only the Incheape Committee, but this House also for bringing about the state of affairs by which it was possible for the Incheape Committee to present its report; and, Sir, this "enthusiastic and inexperienced Legislature," as the Under-Secretary was pleased to characterise it the other day, may well congratulate itself that it has helped in the presentation of a document which ought to be an eye-opener not to the Legislature but to the "experienced administrators" of the country; and I may here digress for a moment and say to my Lord Winterton what he said to Colonel Wedgewood when Colonel Wedgewood irrelevantly, I am afraid, attacked Mr. Thompson. I may say to Lord Winterton in his own language that if he had used these words not away in the Parliament of England, but in this House, in the presence of the Members of this House, then, to use his own words, "he would have got something from some of the Members of this House which he would have for a long time remembered."

Passing on, now, Sir, to the proposals made by the Honourable the Finance Member, I join with the other Members of the House in offering him my congratulations. I do not for a moment admit that it is a Budget that in any way ought to make us cheerful, but I do think that he has handled the subject in a most admirable manner, if I may say so. Apart from that, my reason for congratulating him further is that he has made certain admissions in the Budget which endorse the opinion—public opinion—expressed in this country for the last few years in their condemnation of the policy that was adopted by Government. For instance, I find my Honourable friend saying on page 59 of his speech:

"And the State which is driven to cheat its creditors does not always realise what it is doing although its unsound methods are adopted at the expense not only of the wealth and happiness of its own citizens, but also at considerable risk to social order within its borders. Much of the present unrest in the world is due to the way in which States in all parts of the world have cheated their creditors by unsound currency manipulation and the creation of paper money with no real assets behind it."

[Mr. Jamnadas Dwarkadas.]

My Honourable friend Sir Montagu Webb was pleased to say that during the war Great Britain gave to this country in exchange of services and exports made from this country to the other country 250 million sterling. I want to ask my Honourable friend how much that amounted to in rupees. Was it in any way the same that we expected to get at the time when on the credit of England we exported articles from here or was it rendered much less by the currency manipulation adopted at the instance of Government? I am glad to find that in the very first Budget that my Honourable friend the Finance Member has presented he has, although not openly at least in the language that he has adopted made an admission of the danger of adopting a policy of currency manipulation in this country. Then my Honourable friend has also practically admitted the need of stabilising the exchange. I hope the House will not accept the fallacious argument of my Honourable friend Sir Montagu Webb that the time has not come when exchange should be stabilised. The time has come, and the country has been demanding it for the last few years that exchange should be stabilised, and unless the exchange is now stabilised, no confidence can be placed in the currency policy of the Government by the people, the result of that being that the trade of the country and the industrial development consequently, will always be in a state of depression. I feel, therefore, that the time has come for stabilising the exchange, and if one reads the arguments presented on each side of the case by the Honourable the Finance Member, one would find no difficulty in believing that at heart my Honourable friend himself would like to stabilise the exchange. He himself was connected with that Committee in Geneva which recommended strongly the stabilising of exchange as the first step to be taken. If he held that view about European countries in spite of the present uncertain state of their currency, I think the case for India is much more hopeful.

And the only argument that the Honourable Finance Member has been able to present against the stabilizing of exchange is that it might be of advantage to you not to stabilize the exchange because a higher exchange may mean a reduction of your debt, and in the payment of your Home charges. Now that argument, I am sure, my Honourable friend could not have meant seriously because what, after all, is the gain that you would make by a reduction in the payment of your debts, and in your Home charges, as compared to the great loss that this country, the community at large, would incur by getting smaller prices and a much smaller sum of money for its exports on which the country depends? You cannot consider this question from the point of view of gains to the Government. The question has to be considered from the point of view of gain or loss to the community, and if there is no doubt whatsoever that it would mean a tremendous loss to the community then the need of stabilizing the exchange under any circumstances becomes absolutely obvious. My friend also has pointed out the need of balancing the budget, and on that I am entirely at one with him. Although the deficit is only 4½ crores, it is necessary that we should not leave it uncovered, and here again is an admission from the Honourable Finance Member for which he deserves congratulation. His predecessors did not realise until the deficit went to the extent of 100 crores of rupees, that it was wrong in the interests of this country to allow this deficit to accumulate. The deficit was not due to the fact always that this House was not prepared to vote the necessary taxation. Last year may be taken as an exception, but

the deficit was in most cases due to the failure of the Department to bring about correct approximate estimates. In all cases we find that the revenue fell short of the approximate estimate that the Department had made, and I am glad that, after five years, when the deficit had reached a figure of 100 crores,—it will now be only 4½ crores. My Honourable friend, who is an able financier, realises the importance of leaving the deficit not uncovered, and I think there is great force in that argument. Our credit is bound to suffer if we leave this deficit uncovered and I emphasize the need of covering this deficit at any cost. But while I agree to that proposition, I may at once tell my Honourable friend that this House will never agree to covering this deficit by raising the tax on salt. That proposition I must assert with all the emphasis that it is in my power to command. Last year I characterised the proposal for the enhancement of the salt tax as a messenger of revolution in every village home. I ask the Government not to repeat the mistakes that they have in other instances made in the past in the teeth of the opposition of the people. I ask this House to reject this proposal and to urge upon the Government, if possible, to make further cuts in order that the deficit may be avoided, and if that is not possible, to suggest, with the help of Government, alternative proposals for covering the deficit. And in this connection I may also state that I am not yet convinced by the argument advanced by my Honourable friend Mr. Aiyar that the annuities should not be taken to the Capital Account. In a year like this, we would be perfectly justified in doing what many other countries have done. If we could take the interest on the Gold Standard Reserve and the Paper Currency Reserve to the Revenue Account, what can prevent us from following the practice which other countries have adopted for the past many years. And talking about the Gold Standard Reserve brings me to the importance of urging upon my Honourable friend the Finance Member the urgency of locating the Gold Standard Reserve here in this country. To-day Honourable Members will find that the interest that the Government is able to get on the Gold Standard Reserve is 2 per cent. from its investments in England, while the Bank rate here goes to 8 per cent., and industrial concerns and agriculturists and traders find it difficult to obtain money, and consequently there is bad trade, and the revenues fall short of the estimate, our own money is being invested in England at 2 per cent. What then can be a better policy than locating the Gold Standard Reserve here and investing it at 5 or 6 per cent., with this advantage to the community, that the Bank rate will not go up, and money will be available to traders and industrial concerns at a much cheaper rate of interest. And I may also point out that the majority of the Babington Smith Committee had, in their recommendation, suggested an alteration of the Paper Currency Act with a view to enable the Government to make 5 crores available to the Imperial Bank at 8 per cent. for advancing to agriculturists when the seasonal demands for moving crops came up. Now I may make a suggestion to my Honourable friend the Finance Minister, that this Paper Currency Act should be further modified and that the amount available to the Imperial Bank should be not merely 5 crores, but 10 to 15 crores, to give substantial relief to agriculturists and also that it should not be lent out at 8 per cent. to the Imperial Bank so as to lend it out at 10 per cent. against *hundies*, but it should be lent out at 5 or 6 per cent. so that the agriculturists may not have to pay more than 7 or 8 per cent. Then, Sir, I support also the proposal made by my Honourable friend Mr. Sahani that the time has come when you should adopt in this country a Gold Standard and a gold currency. Sir, I appeal

[Mr. Jamnadas Dwarkadas.]

to the House not to accept the suggestion to enhance the salt tax; but I may also suggest an alternative if I may. My Honourable friend the Finance Member told us that there was no alternative proposal made by any Member of the House. Sir, we have not got an able staff at our disposal to work out all the figures

Dr. H. S. Gour: Have we got any staff at all?

Mr. Jamnadas Dwarkadas: But if I may venture to make a suggestion, it seems to me that the proposal to raise an export duty on jute would not be out of place. The Fiscal Commission itself, while it has condemned export duties in general, has pointed out that jute, being a monopoly in this country, can stand an export duty, and in times of stringency we would be justified in resorting to a further export duty on jute. The argument that if we raise the duty further a substitute may be found does not hold water, because the finding of a substitute does not depend on the existence of an export duty, but is a matter of scientific research. Then, Sir, my Honourable friend Mr. Ginwala has made a general suggestion with regard to taxation. In this connection I may also point out that some of us expected that the recommendations made by the Fiscal Commission and accepted by the Government here in this House might find a place in this year's budget. Perhaps the Honourable Finance Member was not to blame; it was too early for him to give effect to these proposals this year at any rate. But I think that when the Tariff Board has been appointed—and I hope it will be appointed at a very early date—and when the Tariff Board has completed its investigations in some cases, we shall have a much better system of tariff than the present haphazard arbitrary system which is adopted by the Government of India. I also agree with my Honourable friend Mr. Ginwala that the time has come to make an examination into the whole question of taxation, for it seems to me that the burden of taxation falls unequally in this country and there are institutions which, although they deserve to be taxed, are being left alone because Government regard certain facts as permanently settled. (*Dr. Nand Lal:* "As, for instance?") The time has come when those institutions should be made to bear their burden of the administration of India.

With these words, Sir, I resume my seat.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock. Mr. President was in the Chair.

Sir Gordon Fraser (Madras: European): Sir, I listened with great interest to the very interesting speech of the Honourable the Finance Minister and I would like to congratulate him on placing the position before us in so practical and businesslike a manner. We have to accept the fact that we are faced with this deficit of 4½ crores. The Honourable the Finance Minister proposes to square this by raising the Salt Tax by Rs. 1-4. May I suggest with all due deference that the new taxation be spread more

equally over the present existing taxation? I am afraid that one's efforts to assist the Honourable the Finance Minister in making Budgets are very much of an amateurish nature. I personally feel very great diffidence standing up here and making suggestions to him. But I cannot help thinking that it would be more equitable to distribute the amount, especially as in doing so I am quite sure it would not be inflicting any hardship on any particular individuals or communities. Also I think we all hope that the times ahead will be more prosperous and that the bulk of any taxation that may be imposed now will be only temporary. I admit at once that I cannot find any sound or practical reasons for opposing the imposition of this Rs. 1-4 per maund enhanced duty on salt. But we must not forget that the whole sentiment of the country is very strongly against it, and we must admit that in India sentiment looms very large and very often it overshadows hard and material facts.

Dr. Nand Lal: Not always.

Sir Gordon Fraser: I think personally the feeling against the enhancement of the Salt Tax might perhaps not have been so strong amongst Honourable Members if it had not been the only means by which the Honourable the Finance Minister proposed to balance his Budget. As I said before, it would be more equitable to distribute the tax more equally, and it would then give all Honourable Members in this House the satisfaction of contributing their share towards the deficit put before us by the Honourable the Finance Minister.

I suggest therefore as a first step that the enhancement of the Salt Tax might be reduced to 8 annas instead of Rs. 1-4. This would bring the tax to Rs. 1-12 instead of Rs. 2-8—an enhancement of very little more than one anna per maund per head per annum, a very small sum indeed. Then I would retain the export duty on raw hides and skins. I have no figures available to ascertain what amount this would give us, but I put it down at 20 lakhs. I speak subject to correction on this point as there are no figures before me at all. Then I would suggest as a temporary necessity to terminate on the 31st March 1924, just for a period of one year and to terminate automatically at the end of the financial year, that the Honourable the Finance Minister should impose a temporary surcharge of 6 pies in the rupee of tax collected under the headings of Customs and Income-tax. This, with the modified Salt Tax, would give us an amount that would enable the Honourable the Finance Minister practically to meet his deficit.

Dr. Nand Lal: Income-tax is already two annas.

Sir Gordon Fraser: Under Customs the receipts expected are 45 crores. Six pies in the rupee on that will give us Rs. 1,40,00,000. Under taxes on Income, the figure expected is 19 crores. Six pies in the rupee here gives us 60 lakhs. I put the raw hides down at 20 lakhs, and then we have the Salt Tax—8 annas on that would give us Rs. 1,80,00,000. This brings the total to 4 crores against the 4½ crores required. I would leave the Honourable Finance Member to find the extra quarter crore; possibly if 8 annas is considered too low a figure to reduce the salt tax to, we could take it at 12 annas instead of the original Rs. 1-4. That would increase the figure by another 90 lakhs, giving us Rs. 490 lakhs as against Rs. 4½ crores required. Now, it may seem a somewhat retrograde step to take to suggest an increase of the customs duties and income-tax, but this six

[Sir Gordon Fraser.]

pies in the Rupee of tax collected is a very small figure indeed, and I cannot see that it will hurt anybody. If we take goods liable to 5 per cent. duty on importation, those goods with the surcharge added would only pay 5.15 per cent., goods incurring a duty of 10 per cent. would be paying 10.5 per cent., and even when we come to the luxury tax—a tax against which so much has been said—of 30 per cent., it would only come to 30.9 per cent. Then as regards income-tax and super-tax, here again the extra tax would be so small that it would not be felt, and yet at the same time these two items would give us half the amount required by the Honourable Finance Minister. If you take a salary of Rs. 500 per mensem or Rs. 6,000 per annum, under the present schedule it pays a tax of Rs. 190 per annum, and if you add a surcharge of six pies per rupee on the tax collected, it only means an extra Rs. 5-15, or less than eight annas a month. Then again take a salary of Rs. 1,000 a month or Rs. 12,000 per annum, the tax on it under the present Act is Rs. 560 per annum; the surcharge would only be Rs. 17-8, or under Rs. 1-8 per mensem. When we get into the higher incomes liable to super-tax, when we take an income of a lakh of rupees per annum, under the present Act the tax-payer has to pay Rs. 12,500 and the surcharge on that would be Rs. 390—it means only Rs. 32-8 a month. I think I am right in saying that the Honourable the Finance Member has to pay income-tax and super-tax to the extent of about Rs. 10,000 a year; the increase in his case is only Rs. 25 a month. I do not think this is very much; it only amounts to a 3 per cent. increase on our present customs duties and income-tax.

Then again it may be contended that this will upset the present methods of accountancy; but the collection of this tax would be extremely easy; it would not upset the present methods of accountancy in any way at all. Take for instance goods imported into this country on which the import duty payable is say Rs. 125-14; we cut out the odd annas; on Rs. 125 at six pies in the rupee we get 62½ annas or Rs. 3-14-6, to be added to the original amount calculated as duty on those goods. I contend that my suggestion would be fairer and more equitable than the suggestion to raise the whole sum by a tax on salt alone. All would contribute on the basis of the present taxation, and it would not in any way upset the balance of taxation as it exists at present. In putting forward this suggestion it must be distinctly understood that I only make this suggestion as a temporary one, as with the prospects of improved trade in general I am optimistic enough to think and hope that the extra taxation now suggested would not be necessary for more than twelve months.

I think the Honourable the Finance Minister in his speech made a remark that we must cut our coat according to our cloth. The attitude of some Members of this House towards the attempts to provide sufficient wherewithal to meet our requirements rather reminds me of a remark made by a fellow-commissioner of mine on the Madras Corporation some years ago. His remark was that we must cut our coat according to our body. Now, that is a very nice idea indeed. If you are going to do that you will have to provide sufficient cloth to make the coat fit the body. That is what at the present moment Honourable Members of this House are rather shying at. Along with this suggestion of the surcharge on customs duties and income-tax, I propose that we should allow the duty on raw hides and skins to remain as it is at present. I may be wrong in my

" Madras Chamber of Commerce and the South India Skins and Hide Merchants' Association (the latter being entirely an Indian Association) strongly protest against the reduction in export duty on raw hides and skins and at a joint meeting held to-day it was unanimously resolved that no rebate be allowed to Empire countries and that export duty at 15 per cent. should apply to all countries. If proposal now before the Legislative Assembly be adopted, the tanning industry of India which at present is in a very critical condition will be further seriously affected if not crippled."

"As you are aware for several years before the War this lucrative trade had passed, at any rate so far as Calcutta was concerned, almost entirely into German hands. On this side firms consisting of Germans or of naturalised persons of German origin and with German trade connections had formed an effective ring and although one or two English and other firms had on occasions attempted to enter the trade they had been unable to break this ring and had practically in all cases abandoned the attempt. In the case of an Indian firm, it would appear that before the war a determined and partially successful attempt at boycott was carried out by the German ring of Hide exporters."

[illegible]

Now in putting forward this suggestion regarding the surcharge, as I said before, it may be considered as a retrograde act, but I cannot see myself that it is going to hurt anybody, because the amount is so small. It is not a question of a 3 per cent. increase of the duty, but it is purely a surcharge of 3 per cent., or 6 pies in the rupee, on the amount of tax collected. That is going to give us 2 crores. If you take the salt tax at 12 annas, that gives another 2,70,00,000, plus something from hides. If we stick to the 8 annas only on salt, the total will be reduced by 90 lakhs, and if it is left at this with the Honourable the Finance Member, he may be able, either by retrenchment or by taxation, to find the 20 or 30 lakhs still required to balance his budget.

Mr. N. M. Samarth (Bombay: Nominated Non-Official): Sir, at this late stage of the debate, I propose to address myself to only one question, and it is this. Is it a fact that there is really a deficit of 4 crores and 25 lakhs? I submit that if the budget figures are recast in accordance with the well recognised canon of public finance as to what is chargeable to revenue and what is chargeable to capital, the deficit will ultimately result in about 30 lakhs only. The House will remember that in the first year of this Assembly, I was instrumental in reducing the deficit by one crore by pointing out the error of book keeping which the Government of India committed in regard to posts and telegraphs. Well, since then that mistake has been rectified. But I do find still that amounts which really ought not to be charged to revenue have been charged to revenue in the Budget of the Government of India, for March 1923, at pages 10, 11, 12 and 13 under the heading "Statement of the Expenditure charged to the revenue of the Central Government, in India and in England." Now before I substantiate my criticism, I should like to point out that it is not right that money spent on durable public works, whether military or civil irrigation and so on, should be at all chargeable to revenue. A high authority on public finance, Professor Bastable, makes the following observations on the subject:

"Abnormal expenditure", *he says*, "frequently occurs in a somewhat different way, as in the case of durable public works or other improvements . . ."

The Honourable Sir Basil Blackett (Finance Member): Abnormal?

Mr. N. M. Samarth: Yes, abnormal, because they are not necessarily normal. Military roads made in Waziristan from which posterity also will benefit have been charged to revenue. Now why should the present generation be penalised by this amount being charged to revenue? If the Honourable Member will have patience, he will find that the distinguished author says further:

"It may be a part of State policy to erect extensive public buildings, to carry out a system of fortifications, of railway roads or canals, to drain and plant waste lands to promote colonization or to develop industry that requires the aid of its capital. Outlay of this kind"—*he goes on to say*—"is in mercantile phraseology chargeable to capital and not to revenue, and is clearly abnormal. The method almost invariably adopted is to meet the abnormal outlay by abnormal receipts, namely, borrowing, or, to put the point in another way, to turn the extraordinary expense of a given year into the ordinary one of interest on debt."

There should be no question about the canon of public finance which he has laid down, and I wish to apply it now. I say rightly capital outlay at New Delhi has not been charged to Revenue. The Honourable the Finance Member has expressed some doubt on the subject. He has said, "Apart from our revenue receipts, we have spent many crores on unproductive purposes, the expenditure on which is classed as capital expenditure. New Delhi is the most obvious example. I can see no justification other than sheer necessity for not treating this expenditure as chargeable against revenue and in any case it ought to be repaid out of revenue at an early date."

With all due deference, I venture to question the correctness of the dictum of the Honourable the Finance Member, and my authority is Professor Bastable. Now, Sir, I shall apply this to three items in the Statement of Expenditure. At pages 12 and 13, Honourable Members will find Item No. 50 "Military Works." The Budget estimate for 1923-24 is given as 4,23,55,000. Now if Honourable Members will turn to the Military Budget, page 199, they will find the entry under the head "Military

Works".—Works, Capital Expenditure 1,96,00,000. I submit there is no justification for charging this sum to revenue. It must go to capital account. Now take another entry, No. 41, Civil Works. The Budget estimate for 1923-24 under this head is 1,87,63,000. If you look at the Demand for Grants, Demand No. 41, at page 121, it will be found that 92,82,000 out of the total amount is for original works. That is what Professor Bastable calls durable public buildings, and which ought not to be charged to revenue. Take again a third item in the Statement of the Expenditure charged to the Revenue of the Central Government, say No. 16, the heading of which is Irrigation, etc. Capital Account (charged to Revenue)—Construction of Irrigation, etc., Works—financed from ordinary revenues, total 2,16,000. There is absolutely no justification for charging it to revenue and swelling thereby the expenditure. I take my stand again on Professor Bastable's principle. Now if these three items are totalled together, the total comes to 2,90,98,000. Calculating interest on it at 6 per cent., it will amount to 17,45,880. I charge that to revenue, and let these 2,90,98,000 be transferred over to capital account. Then,

3 P.M. out of the deficit of 4.26 crores if you deduct this sum of Rs. 2,73,52,120 you get a deficit of Rs. 1,52,46,880. Now, another point upon which there was discussion on the last budget occasion and which has been referred to by previous speakers, especially I believe by Mr. Jammadas, Sir Vithaldas Thackersey raised the question of the railway annuity. The debate will be found at page 2798 of the Legislative Assembly Debates, Volume II, Part 3. He observed:—"The second item I object is that we are debiting to revenue the 536 lakhs which we pay as annuities for the purchase of railways. I can understand debiting to revenue interest charges, but I cannot understand how we can debit to revenue our capital charge, namely, the amount we pay in instalments to the shareholders for the purchase of the railways. It is really not a revenue charge but a capital charge." And if you take an account you will find that out of a total of 5 crores 3 lakhs 62 thousand which is the amount of the annuities for the purchase of railways, the capital portion of that is Rs. 1,21,70,000. There is no reason why the amount should not be sent over to the capital account. Well, if you deduct that then from the amount of Rs. 1,52,47,880, the balance is Rs. 30,77,880, which alone is the real deficit. And surely ways could easily be found in the course of the year to meet this 30 lakhs 77 thousand odd rupees. Therefore, there is no real deficit which we have to provide for and, therefore, there is no need for additional taxation, and consequently all the discussion as to ways and means and the alternatives is in my humble judgment outside the scope really of the present discussion. Of course I saw Mr. Aiyar nodding his head whenever I said that the items should not be charged to revenue but I have given my authority for saying why they should be charged to capital. I say there is no reason why the present generation should be penalised and made to pay for the benefits which posterity will also derive. It is a wrong principle, wrong budget framing, wrong book-keeping to have these charges included in the expenditure with the result that the expenditure is swollen and the deficit is increased. I submit therefore that there is no case made out for any additional taxation. That, Sir, is my point.

Now, Sir, I should have liked to finish, but as reference was made by Mr. Bray to Waziristan, in which I take some interest and to which I referred at the time of the last budget discussion, I may be permitted just to make a few observations. Last year I attacked the policy of Government in regard to Waziristan. I said that, whatever the political reasons

[Mr. N. M. Samarth.]

may be, whatever the military reasons may be, from the financial point of view I oppose it. And throughout my position has been that you cannot go and occupy and administer the country. A downright forward policy is out of the question. That was my position, and therefore I asked Government to abandon that policy. I am glad to say that the enunciation of the policy which I heard from Mr. Bray yesterday means the abandonment of that policy. I am not in favour of a burn and scuttle policy, a policy of sending punitive expeditions and then withdrawing afterwards, with the result that you leave behind a legacy of tribal hatred and cause tribal emboldenment by the weakness of the withdrawing Government. That policy also is out of the question; and a policy of occupation and administration, a downright forward move, is also out of the question. I have been throughout an advocate of what is called the Sandeman policy, or a policy approximating to the Sandeman policy, namely, controlling the tribes without annexing them, and I am glad that that is the policy which I find adumbrated in the speech which Mr. Bray made. I feel gratified that my fight has been ultimately successful. With these words, Sir, I will close my remarks.

The Honourable Mr. C. A. Innes (Commerce and Industries Member): Sir, it is not usual for the Commerce Member to intervene in this general discussion, but Sir Basil Blackett has specially asked me to deal with one suggestion which has been made in the course of the debate. It is a suggestion which has been freely canvassed in the public press, a suggestion which was made with engaging simplicity by Mr. Spence of Bombay yesterday and a suggestion which has been repeated by more than one Honourable Member. I refer to the suggestion that we should impose an export tax upon motor spirit or petrol. Now, Sir, let me state the problem. In 1917 we passed an Act by which we imposed an excise duty of 6 annas a gallon on all petrol produced in India and an equivalent surcharge on the import duty of all petrol imported into India. In accordance with our usual practice, we allow a drawback of that excise duty on all petrol exported from India and that is the cause of the complaint. In India we produce 34 million gallons of petrol. Of those 34 million gallons, 14 million gallons are consumed in the country and the remaining 20 million gallons are exported. Now, two complaints are made. In the first place it is said that we treat the Indian consumer unfairly; we charge him an excise duty of 6 annas a gallon and we let the foreign consumer go free. Secondly, we are accused of sacrificing wantonly a large possible revenue; if we imposed an export duty of 6 annas a gallon on the 20 million gallons of petrol exported from India, it is said that we should make 75 lakhs of rupees per annum provided, that is, there is no decrease in exports. Consequently, two suggestions have been made. One is that we should impose that tax of 6 annas a gallon on all exports of petrol. The other suggestion is that we should lighten the load on the Indian consumer by reducing the excise duty to 3 annas a gallon and charging that excise duty not only upon petrol consumed in the country but also on petrol exported from the country. It sounds exceedingly simple, but perhaps the House will not be surprised when I say that had it been as simple as all that we would have adopted this expedient long ago. I will first deal with the theoretical aspect. I won't take very long with that. Theoretically an excise duty is essentially a duty upon consumption and that is what we intend it to be. We remit that excise duty on petrol exported because we do not wish to place our producers in an unfavourable position

compared with producers in other countries. We cannot be sure that our producers can pass on the duty to the foreign consumer and we are never quite sure that the duty will not recoil upon ourselves and upon our own producers. That is the theoretical reason why we give a drawback of the excise duty on exports. We give that drawback in respect of the cotton excise and we give it in respect of this petrol excise duty. But, Sir, I will take the purely practical question of what is likely to be the probable effect of imposing this export duty, as I may call it, of 6 annas a gallon on exports of petrol. How much revenue are we going to get out of it and what are the other effects going to be? Those are the points to which I shall address myself and I will ask the House to remember three material facts. First, the production of petrol is a mere incident in the manufacture of kerosene oil. In fact before a use was discovered for petrol in connection with motor cars and vehicular transport of that kind, the Burma Oil Company actually used to burn their petrol. They had no use for it. Secondly, only surplus petrol is exported from India. India's demand for petrol is fully met, and it is only the surplus above the requirements of India that is exported; and thirdly, the exports of petrol from India, or rather from Burma, are merely a drop in the world's supply. Most of that petrol, most of those 20 million gallons, go to the United Kingdom. The United Kingdom's imports of petrol are 210 million gallons. This last fact is very important indeed. It means that if we impose this export duty upon petrol, the Indian Oil Companies could not pass on that duty to the foreign consumer; the Indian Oil Companies could not raise their price for the foreign consumer; they would have to sell their petrol at the world's price. Well, what would the effect be? The Oil Companies would have to pay that 6 annas a gallon themselves. They would have to pay 75 lakhs of rupees per annum themselves, and the inevitable effect would be that the Oil Companies would not be able to export petrol from India at all. I do not know what the cost of production of petrol in India is. I do not think anybody knows.

Dr. H. S. Gour: Two annas a gallon.

The Honourable Mr. C. A. Innes: Then Dr. Gour is wiser than I am; all I can tell you is this. We have studied this question with reference to the experience in other countries. The question of an export duty on petrol from Mexico is a very old question, and after long experiments the rate of export duty at Mexico has crystallized down to half an anna a gallon. In the Dutch East Indies the export duty on petrol was fixed in August 1921. There again they fixed it at something like half an anna a gallon, and I believe that the future of that tax is very uncertain. But the most instructive history of all is the history of Roumania. In 1919 Roumania imposed an export tax of 20 per cent *ad valorem* upon mineral oils. What was the effect? The effect was that they crippled their export trade. In the first four months of 1919, 900 tons of kerosene oil represented their exports. There was another result—production in Roumania was seriously affected; and the result of Roumanian experience is that the export duty on petrol from Roumania is now fixed at the equivalent of one farthing per gallon. Now I have given the House the experience of other countries. I have shown that in other countries where they tried this export tax, they have not been able to fix the tax at a higher figure than one-half penny per gallon. I think that it will be clear to the House now that it is entirely out of the question for us to think of imposing an export tax on petrol exported from India at anything approaching either 6 annas, or even the 8 annas a gallon proposed by my Honourable friend Mr. Spence. If we

[Mr. C. A. Innes.]

go by the experience of other countries, the very most that we can safely impose would be a tax of half an anna a gallon. That would yield us a revenue of just over 6 lakhs of rupees a year. Then, Sir, there is another side to the shield. We cannot take this question of an export tax on petrol apart from the question of kerosene oil. Now, whatever may be the complaints of the consumer in India and in this House against the Burma Oil Companies in respect of the prices they charge for petrol, I do not think that there is any one here who can cavil at the policy adopted by the Burma Oil Company in respect of the price they charge for kerosene oil. They fixed their price for kerosene oil, inferior yellow kerosene oil, as far back as 1905 at the range of prices obtaining then. They fixed it at Rs. 2-14 per unit of 8 gallons ex installation at the ports; that was for inferior oil. They maintained that price for many years, they are maintaining it still. But, as inevitably happens, the demand in India gradually overtook the supply with the result that at the present time the demand for kerosene oil is something between 150 to 180 million gallons a year, whereas the amount of kerosene oil produced in Burma is only 100 million. Now the effect of these factors became most evident in the latter days of the war. The Burma Oil Company still supplied the inferior oil at Rs. 2-14 a gallon, but it was unable to meet the whole of India's demand, and petrol had to be imported from abroad in order to supplement the Burma supplies. For a time the price of these imported supplies was governed by the price of the Burma oil. But, as the war dragged on, the importing Companies were unable to import kerosene at that price. Consequently the Burma Oil Company were unable to make their price of Rs. 2-14 a gallon effective. We all remember in 1917 and 1918 what profiteering there went on in kerosene oil; how the Burma Oil Company tried to maintain their price, but how the middlemen, how the profiteers, drove the price up. It would have been perfectly simple for the Burma Oil Company to raise its price to the level of the price of the imported oil. It did not do so. With the full cognizance of Government, though we had no share in it,—they came to an arrangement with the Asiatic Petroleum Company. It was a pooling arrangement. They pooled their supplies, and they pooled their prices. It is a complicated arrangement, and I am not going into it now, but all I will say is that as a result of those pooling arrangements, the price of inferior kerosene oil in India at the present time is estimated to be 3 annas a gallon below the world's market price. It is estimated—I give the figures for what they are worth, I saw them in the report of the annual meeting of the Burma Oil Company recently,—it is estimated that India has scored by that arrangement since 1919, 33 crores of rupees in kerosene oil alone. On the one side you have these Oil Companies maintaining a price of kerosene oil three annas a gallon below the world's price. They have always got a margin up to that. They could raise their price. On the other hand, you have this possible export tax. I have shown that if you put a tax of 6 annas a gallon or even 3 annas a gallon on those exports, you get no revenue at all; you merely kill the trade, and if you put on a small tax, you take this 6½ lakhs out of the Burma Oil Company and other oil companies, but there is nothing in this world to prevent them from recouping themselves by increasing the price of kerosene oil. Now does this House want the price of kerosene oil to be increased in order to get a very small amount of duty out of this export tax on petrol? Sir, Government has been accused throughout the country by propaganda spread by the motoring trade, Government has been accused of deliberately sacrificing this revenue. I have

shown that it is nothing of the kind. The whole matter has been explored, and we have come to the deliberate conclusion that the thing is not worth doing. We should get very little revenue out of it, and we might send up the price of kerosene oil for the poor man in India.

Mr. Ashruff O. Jamall (Bengal: Nominated Non-Official): Sir, at the outset I must congratulate my Honourable friend Sir Basil Blackett for the very able and lucid manner in which he presented the Financial Statement to us last Thursday. The Budget, Sir, though it shows a deficit of Rs. 4½ crores, will, I am sure, be better received than has been the case in recent years. Sir Basil Blackett very rightly remarks that he is the inheritor of the three years' work of my Honourable friend Sir Malcolm Hailey. But he has realised from the last two days' discussion that his position is by no means an enviable one. As a commercial man, Sir, I would be the first to endorse the necessity of balancing the Budget. But the contemplated tax on salt which has been proposed by the Honourable Member to attain that object is going to be a very unpopular one and not well received. This House last year this time discussed at great length this subject and the result of it was that it was rejected. My Honourable friend Mr. Samarth has given some suggestions and I agree with him that some charges have been made to Revenue which should go to Capital account. If those suggestions are taken into account, the Budget, I daresay, will balance itself. This morning before lunch when I was sitting here I admired the eloquent speech of my Honourable friend Mr. Jannadas Dwarkadas until such time as he touched jute. Sir, I come from Calcutta and I am very closely associated with that industry. I know that at the present moment it is under no healthy conditions. The jute mills are working only 4 days in the week. We are piling up stocks and we are running into large finances. Our buying power all depends on foreign countries and everyone knows distinctly how very much depleted the foreign buying power at the present day is. Under the circumstances, I think if the suggested jute tax is at all levied, it will go to hamper the jute trade of Bengal. According to Mr. Samarth's remarks, as the Budget balances itself, Sir, I venture to advocate that let us close this last year of this Assembly—India's First Parliament—without any fresh taxation and with a real effort to curtail expenditure wherever it may be possible, so that in the next 3 or 4 years we may have surpluses going not only to reduce provincial contributions but to reduce the taxes that have been levied in recent years. In concluding, I would like to associate myself with my Honourable friend Sir Basil Blackett in expressing our grateful thanks to the Incheape Committee for their devoted work which would not only be of great assistance to this House but of

Mr. Harchandrai Vishindas (Sind: Non-Muhammadian Rural): Sir, coming as one does at this very late stage of the debate, one has necessarily to run the risk of slithering down the groove of repetition, although I shall attempt as far as possible to avoid it. Now, I do not think I need go over the ground of praising the Finance Member or praising the Incheape Committee, because that ground has already been traversed too much. I rather think that one faces a danger in praising the Finance Member, because if you praise him he might be spoiled. He has been already praised so much that he would not be able to present such a felicitous report and speech as he has done this year. It was a great pleasure to me to read that speech from beginning to end and I do not want to be deprived of that pleasure for the next year, which will be the

[Mr. Harechandrai Vishindas.]

case if he gets puffed up by too much praise. The first thing I have to remark is that the impression which I first formed as to the motive underlying Sir Basil's imposition of salt tax may be described as under. But first I will make a digression. Mr. Manmohandas Ramji told us yesterday that he could easily detect a defect in the Finance Member's Memorandum in that he had allowed 38-6 crores for the railways, whereas only 30 crores that had been originally sanctioned would be enough, so that, this saving, of between 8 and 9 crores he suggested, would be quite enough for doing away with the proposed extra taxation. Then, he went further and said that in finding out that defect we were far shrewder than the Finance Member had thought us to be. But to my mind the Finance Member is far more astute than any of us and for this reason. Here I will come to the motive which according to me has actuated the Finance Member to impose the Salt Tax. I was under the impression that the Finance Member must have read the whole debate of last year including the debate that turned upon the motion of Mr. Joshi on the Finance Bill to substitute Rs. 1-4-0 for Rs. 2-8-0 salt duty as it stood in the Bill which meant that the enhanced duty be not allowed, which motion was carried by a large majority. Having read the whole of that debate, as he must have done as a matter of duty, I could not for the life of me understand how he came forward with that proposal again this year. But one solution suggests itself to me. I thought that he was playing a deep game. He wanted to elude us and to take us off the scent, so that we may not howl for the reduction of any existing taxation. It was a kind of strategic move knowing full well as he did that the salt tax would never be accepted by the Assembly. He said to himself that if he did not propose some kind of fresh burden to cover some fresh deficit, Members would make a hue and cry for cutting down some of the taxation that is already in force. He has succeeded in that. Nobody has come forward and suggested the reduction of the present taxation. Therefore, I think that all those Members of the House who have taken the Finance Member seriously about the proposed taxation on salt are mistaken and they ought to modify their opinion, because the Finance Member is almost certain that this tax will be thrown out by the Assembly. Now, Sir, I quite agree—in fact it would be foolish on my part not to agree—with the main principle of finance laid down by the Honourable the Finance Member that the budget should be balanced and deficits not left uncovered. I do not think there has been a single Member of this House who has had the temerity to challenge that maxim. Only it has been pointed out by Member after Member that there are ways and means of substituting something for the salt tax which will make a great leeway in eliminating the deficit altogether. I need not waste the time of the Assembly by repeating the suggestions which have been made by several Members, by Sir Gordon Fraser, Sir Montagu Webb, Mr. Samarth and other Members, but I can say this much that the House will not meet with the slightest difficulty in substituting some other source for the salt tax. We the Democratic party intend, when the proper time comes, i.e., when the Finance Bill and the Demands for Grants are discussed—to put forward proposals in lieu of the salt tax which will balance the Budget without the least difficulty. Now, Sir, there are one or two points with reference to the Finance Member's speech which I want to emphasise. The Honourable the Finance Member has said that we ought not to be wise after the event so far as the question

of exchange is concerned, and that there is no use crying over spilt milk. He is referring to the fact that the exchange that was originally fixed has turned out to be a delusion and a snare and that we did not look ahead at the proper time. But with due submission, Sir, I inquire who are the culprits responsible for that mishap? Not we, the public, but the Government. We were not wise after the event. We were wise before the event. The public went on clamouring to the Government that they were adopting a suicidal policy by fixing the exchange at the high rate of 2 shillings a rupee while there was a steady tendency of falling exchange. And we were not guilty of crying over spilt milk, but rather we were telling the man who was deliberately spilling milk not to do so. (Laughter.) If there is any blame in the matter, it attaches to the Government. Then, again, Sir Basil Blackett has told us that this is not the time for stabilising the exchange, and Sir Montagu Webb also agreed with him. But the reason that Sir Montagu Webb gave rather goes the other way. He says there is a great danger of exchange going downwards and downwards up to even one rupee a shilling. What does that show? That shows that you have to stabilise it to avoid all kinds of disastrous fluctuations. There should be no fluctuations. As Mr. Jannadas has pointed out, these fluctuations have been the ruin of the country. As Mr. Seshagiri Ayyar has pointed out, they compromise commercial morality; they create a kind of distrust on the part of European merchants who deal with Indian merchants. It is not the fault of the Indian merchants at all. The Indian merchants have been crying themselves hoarse from time to time that it is this exchange policy of the Government that has been responsible for these unfortunate results. Then I say, Sir, that as the prophecies of the Indian merchants have been true and the Government prophecies have been falsified, the present prophecies which the Indian public are giving to the Government should be accepted, its own prophecy should be rejected, and exchange should be stabilized. That will make for sound finance in the future. Sir, now I will touch only one more subject, although it will be considered to be a very threadbare one. There are some points in it in regard to which I may be excused for resorting to repetition, which I have myself at the outset of my observations condemned. Sir, I refer to the military expenditure of Government, and the long drawn out wail of the public regarding it. I know that at the present juncture, by the very nature of the case, my observations will partake of an academic rather than a practical nature. Still nothing will be lost in pressing the points year after year that strike one to bring to the attention of this House and the Government. His Excellency the Commander-in-Chief, when he came this morning, told us that it was possible for Honourable Members to discover a kind of inconsistency in the assertion he made last year that it was not possible to reduce the British units or Indian units at all, and his concession to the Incheape Committee in that respect this time. This was a point I had proposed to make, but he forestalled me. He said there is no inconsistency because the state of affairs has considerably altered, the internal as well as the external conditions having both improved. And therefore it was that he agreed to the reduction in forces suggested in the Incheape Committee's Report. Quite right, but all I say is that the concession is rather a grudging and a narrow one. If the internal conditions of the country and the external conditions have improved as we all know they have, I think a much vaster reduction should have been allowed than His Excellency is prepared to concede. Then, Sir,

[Mr. Harchandrai Vishindas.]

Sir Basil Blackett, the Finance Member, showed some kind of impatience, quite naturally from his point of view, at Member after Member talking of the Inchcape Committee's Report not being acted upon in the Finance Minister's speech, but what I say is this, that not a very valid or adequate justification has been shown in the Finance Member's speech as to why such a very tardy and such a very small and inadequate acceptance of the proposals has been made instead of very liberal reductions. The belief of those who have gone through the Inchcape Report is that many of the suggestions can be immediately given effect to not to the fullest extent that they have been made by the Committee, but to a very liberal extent. Now, Sir, I will briefly refer to certain pages of the Report where these strike me. First of all we come to page 11, paragraph 10, relating to the present Command system:

"Army Headquarters, Staff of Commands, etc.—A considerable portion of the large increase in expenditure under this heading since 1913-14 is due to the introduction of the four-Command system in 1921."

Then an explanation is given as to how this new system came to be introduced and five reasons have been assigned. But I have been informed from other sources that this four-Command system is entirely unnecessary and unnecessarily expensive. If a judicious and economic arrangement were devised, it would be very easy to bring all the four Commands within the compass of two Commands, because you find that so far as my own Province of Sind is concerned, (I think it comes under the Western Command) a great deal of it is merely desert. Likewise you have the Northern and the Eastern Commands. These two could be very easily combined, and the Southern and the Western Commands could be very easily combined, and a great deal of saving effected. My estimate is that that saving would come to between four and five lakhs of rupees. Why that should not be done at once I see no reason. Of course the Inchcape Committee say they would give it a trial, but I think as it has failed, on the very face of it the trial is merely a waste of money.

Then proceeding to page 12, paragraph 12:

"Army Headquarters—"

The total expenditure for 1922-23 is more than double that of 1913-14 "

a point that has been referred to by Dr. Gour,

"although the number of troops in the fighting services has decreased by 15,517 and provision has been made for decentralising the control of minor matters to the Commands. The establishment of Army Headquarters has increased as follows."

And they add later:

"It is obviously not practicable in the limited time at our disposal to make any very definite detailed recommendations but we consider that the provision for officers at Army Headquarters should be reduced to the full extent recommended by the Innes Committee."

This suggestion should be carried out. Then, Sir, before I proceed further with reference to this Report, I pause for a reflection, and that is this. It strikes me that the soldier, the Army man and the Army officer is imbued with the idea that as he is the saviour of the country, as he gives his life, all the other Civil departments are no good as compared to him and why should these civilians grudge him lavish expenditure? When trouble comes, external or internal, it is he who would be called upon to shed his blood and therefore why should he not be allowed to

spend lavishly? This engenders a sense of indifference, irresponsibility and overlordship in the military department. Of course, the highest officers like the Commander-in-Chief and the Generals and other men with a sense of responsibility are not at all influenced by that idea. I sincerely believe that His Excellency the Commander-in-Chief is always prompted by the desire of carrying out the wishes of this Assembly, and of effecting as many economies as possible. But the lower ranks, the ordinary soldier or man, or small officer has got no sense of frugality at all. He does not want to cultivate that sense; that is not in his nature. Now as an instance of that I was only recently told that in Karachi one motor lorry was employed in carrying a few bottles of beer, etc., from Kamari to Karachi, 5 miles. (Laughter.) I find that the prevalence of this tendency has received corroboration from the following remark in the Incheape Committee's Report. On page 15, paragraph 20, they say:

"We have examined the position in regard to mechanical transport and attach a statement showing the estimated military requirements and the present stock of vehicles, classified at our request,"

and so on, and they continue:

"We consider there is no justification for providing the stock of vehicles which the military authorities estimate is required, and we recommend that, while the present financial conditions obtain, the authorised establishment of motor vehicles including reserves should not exceed 1,600 vehicles, excluding motor cycles. The holding of large excess stocks must necessarily result in increased costs for maintenance, garage accommodation, interest on capital, depreciation and personnel, and in addition there is a tendency to use the vehicles, if available, for non-essential purposes. In this connection we examined the records maintained by one motor transport company and found they were far from satisfactory; the number of vehicles in use was considerably in excess of the requirements, and in many cases the daily loaded mileage run by individual lorries was only 2 to 4 miles with light loads of about 5 maunds."

His Excellency the Commander-in-Chief: This has already been accepted.

Mr. Harchandrai Vishindas: Then I am thankful to His Excellency.

Mr. President: I must warn the Honourable Member that his time is exhausted.

Mr. E. Burdon (Army Secretary): I wish to reply very briefly to certain observations which have been made in the course of this debate on the subject of the recommendations of Lord Incheape's Retrenchment Committee in regard to military expenditure and the Army estimates for 1923-24. My object in doing so is not to embark upon any form of contention but really to give the House certain information which I feel sure that Honourable Members would like to have.

I will deal first with certain remarks made by my Honourable friend Mr. Rangachariar. If I remember his speech correctly, he raised two points of special importance. In the first place he referred to a statement in the speech of the Honourable the Finance Member made with reference to the revised Army estimates for 1922-23. The statement was to the effect that the budget for 1922-23 provided 65·10 crores for the established charges of the Army, whereas, according to the revised estimates, the charges will now amount only to 60½ crores; and I think my Honourable friend's point was that it was unjustifiable for Government to frame so high an estimate in the first instance. The explanation of the apparent

[Mr. E. Burdon.]

defect in estimating is fairly simple. In the budget for 1922-23 we made an allowance for a fortuitous shortage of British troops and other personnel. The shortage, however, continued much longer than was anticipated and much longer than could have been foreseen and the saving on this account will exceed the allowance made in the budget by 134 lakhs. Again savings secured by the consumption of surplus stores as opposed to new purchases yield Rs. 65 lakhs more than the budget estimate, while the receipts from the sale of surplus stores and surplus lands and buildings will be higher by 48 lakhs. There are other fluctuations one way and another of a similar fortuitous character and the net result of all those that I have mentioned is to give a saving of 200 lakhs of rupees on the original estimate. Again, the fall in prices to a lower level than could have been anticipated contributes a further saving of Rs. 75 lakhs. Fluctuating charges in hospitals on the diet of hospital patients have gone down by 50 lakhs of rupees owing to a remarkable fall in the constant rate of sickness amongst soldiers due to favourable seasons and efficient medical administration. There has also been a large reduction in Home charges on furlough allowances, marriage allowances of British troops and sea transport, due largely to economies and reduction of rates effected in the course of the year. These, however, have been counterbalanced by an unforeseen increase in non-effective charges, the estimating of which in recent years has been a matter of great difficulty. I trust that this explanation will set my Honourable friend's mind at rest. The estimates were prepared on the correct basis according to the data then available, for example, on a forecast of prices supplied to the military authorities by expert advisers. Further, as the Honourable Finance Member explained the savings which it was thus possible to secure by strong control and good administration or from fortuitous causes were not allowed to be dissipated on other normal forms of expenditure; and I am sure my Honourable friend would not wish that the savings had not been realised, or that the savings had been spent.

The second of my Honourable friend's points was generally to the effect that, while Lord Incheape's Retrenchment Committee have recommended a total retrenchment of approximately 13 crores (*Rao Bahadur T. Rangachariar*: "13.95 crores."), of approximately 14 crores, the estimates for 1923-24 disclose a reduction of 5.75 crores only. Here again, there is an explanation which is simple enough if stated on broad lines. The Retrenchment Committee took as their basic figure the cost of the Army in India according to established sanctions unrelieved by any of the fortuitous credits to which I have just referred. These fortuitous credits, and fortuitous debits also, have affected the military estimates for the last two or three years and they have, I am afraid, tended to make the situation as regards military expenditure somewhat obscure at the first glance. Now, if the total value of the retrenchments proposed by the Retrenchment Committee is deducted from this basic figure which I have mentioned and to the result there is added the amount which is estimated as required to cover the terminal charges and the lag mentioned by the Honourable Finance Member, we arrive at the figure of the Army estimates for 1923-24. In the lag I include here the normal charges of the troops to be reduced in the interval before the retrenchments if accepted could be fully carried into effect. I will not attempt to give the precise details of the calculation now; the matter is much too intricate, and it is necessary that I should be brief. I will, however, be glad to give my Honourable friend and any other Honourable Member who desires it a statement which

will show the exact figures and the exact process of calculation. Generally speaking, also, I think I am right in saying that my Honourable friend, Mr. Rangachariar, seemed to doubt the reality of the retrenchments in military expenditure which it is proposed, subject to the agreement of His Majesty's Government, to adopt. I think there is some justification, if I may say so, for his attitude, because in the short time at the disposal of Government since the presentation of the Retrenchment Committee's Report it has not been possible to exhibit in the printed Army estimates the full consequential details of the acceptance of the recommendations. Thus, for example, we have had to retain in the column showing the strength of the personnel the figures of 1922-23. It will only be possible to correct these completely when the details of the reductions have been finally settled. On the other hand, I imagine that Mr. Rangachariar's doubts must have been largely dispersed by the statement which His Excellency the Commander-in-Chief made this morning, and I hope, therefore, he will now look upon the Army estimates with the eye of faith. I can assure him, with reference to certain further remarks that he made, that provision has been made for reductions in the staff and establishments at Army Headquarters and in subordinate formations, that a radical reorganization and reduction of the supply services is contemplated, that there will be reductions also in the personnel of the Mechanical Transport, and the Medical Veterinary and Remount services, and the Schools of Military Training and of the Army Educational Corps. The number of mechanical transport vehicles to be used in peace and the mileage to be run by them will be largely curtailed and the cost of feeding animals in remount depôts will also be considerably reduced. Certain other Honourable Members, who have spoken in this debate, have expressed the view that Lord Inchcape's Committee have not gone far enough in regard to retrenchment of military expenditure. They have read out passages from the Committee's Report in which the Committee have said that the existing burden of military expenditure is more than the country can afford and must be substantially reduced. Well, Sir, I also have read these passages but I have gone a little further in the book and I have read the recommendations which the Committee made in pursuance of their belief that military expenditure has got to be diminished. It is evident from a perusal of the Report that the Committee themselves consider that they have gone as far as it is possible to go at the present stage of events. I am sure that no Honourable Member of this House will deny the competence of the distinguished gentlemen who constituted the Retrenchment Committee, and I personally can vouch for the ruthlessness with which they attacked the military estimates. I think I appeared before the Committee myself more frequently than any other individual official.

I think it will be of interest to the House if I summarise one very important aspect of the Committee's recommendations. The reduction in fighting troops which they have proposed amounts to 8,500 British troops and 6,000 Indian troops, a total of 14,500. I am sure the House will recognise that proportionately the reduction is very considerable. The effect of these reductions if they are carried out to the full will be to alter the ratio, which, as my Honourable friend Dr. Gour informed the House this morning, used to be 1 to 2, to 1 to 2.67. My Honourable friend Dr. Gour has evolved certain suggestions of his own for effecting further savings. One of these was the transfer of internal security duties from the Army to the Police. Well, I may explain that the suggestion is one

[Mr. E. Burdon.]

which has actually been considered, and it is one which the Army, if the decision were left to them, would like very much to adopt, as I can assure the House there is nothing the Army hates more than to be called out for the suppression of civil disturbance. There are, however, certain objections to it. The first objection is that it would to a very large extent merely amount to robbing Peter to pay Paul. It is true that armed Police Battalions, according to the calculations which we have made, would probably cost less than a regular Indian Infantry battalion, but there would be no very great difference and the charge would, as the House will understand, merely be transferred from Central to Provincial estimates. There are military reasons of great cogency also against the proposal, but the House will understand that it is impossible for me to discuss seriously on the present occasion a large question of policy of this kind. My Honourable friend Dr. Gour had also something to say in regard to further reductions of British troops. Well, as the House are aware, the Retrenchment Committee, who were in a good position to judge of the matter, and the Commander-in-Chief do not consider that any larger reduction can with safety be made than that which has been proposed. That reduction, as I have shown, is considerable. There is one other distinguished authority whose support I think I may claim for the view that greater reductions should not be embarked upon at this stage. I am referring to my Honourable friend Sir Sivaswamy Aiyer. He told the House this morning that he does not altogether share the opinion of the Honourable Sir Dinshaw Wacha on the subject of the abolition of the amalgamation scheme. I think I may assume that by this he means that India must for the present continue to rely in some measure upon the services of the British Army. My Honourable friend Sir Sivaswamy Aiyer has an intimate acquaintance with the whole matter. I need hardly remind the House that it is not so very long ago that he was a Member of the Committee which dealt with the military requirements of India. My Honourable friend Sir Sivaswamy Aiyer, in the course of his speech this morning, mentioned two matters to which he desired to draw the particular attention of His Excellency the Commander-in-Chief; His Excellency being detained in another place did not hear these particular observations and was therefore unable to reply to them. I feel sure, however, that I can promise my Honourable friend on behalf of His Excellency the Commander-in-Chief, that the question of admitting Indian officers to departments of the Army as distinguished from the combatant formations, will be carefully examined, and also that His Excellency the Commander-in-Chief will do everything in his power to secure a favourable decision on those Resolutions which were passed in this House in connection with the Esher Committee's Report and which are still under consideration either by the Government of India or by the Secretary of State.

Khan Bahadur Abdur Rahim Khan (North-West Frontier Province: Nominated Non-Official): Sir, yesterday I must say that I was thankful to this Honourable Assembly that the view of those Honourable gentlemen who used to be authorities on the Frontier question was most favourable; but it is very painful to me to see that my learned friend Dr. Nand Lal, who always speaks with a full voice and from a full heart, is just as obstinate and as far astray as ever. I will appeal to him and I will just offer some observations to him in particular and to other Honourable Members in general to be more charitable towards our Province.

Sir, I will take the situation on the North-West Frontier from three aspects and deal with it. Firstly, from the aspect of the people who are living there; secondly, from the aspect of the Civil officers, and lastly but not least, from the aspect of the Military officers in order to show that we don't deserve his remarks. I must say that we have all been treated very badly and we have all been criticised very disgracefully. My Honourable friend Mr. Bray yesterday and His Excellency the Commander-in-Chief to-day made a full statement concerning the Waziristan question, which prevents me from enlarging on the same. I would like just to describe before this learned Assembly the characteristics of the people with whom we have to deal in order to show that the close border policy is rightly adopted by the Government.

War is at every door and warlike virtues behind every door, under a brute there is a free man and a man with a heart. They abound in courage and ready for sacrifice. Amid their perilous mode of life and the perpetual appeal to arms there exists no sentiment much warmer than friendship nor any virtue stronger than heroism. To him who loses everything vengeance is left and if the conquered can enjoy this, he will find himself happy and will sleep softly even under his chains. Every clan forms a league of which all the members are "brothers of the sword." They are united together by the strong ties of community of race, of language and community of common interest, and consider it their sacred duty to defend one another. They are imbued with the noble spirit to lay down their lives for the sake of their fellow tribesmen. They value neither their own lives nor the lives of others. As a horse kicks instead of speaking, they pull out their knives instead of explanation. Strife for strife's sake such is their pleasure; when caged in by melancholy or violent sensations they are bent on a fighting blood-spilling life. In their eyes the world is warfare and heroism the greatest excellence. It is not strange to see them seek their happiness in battle and their beauty in death. Such is the life of those with whom the Government is engaged in an endless struggle. Their country is barren and yields no produce, so the occupation would have been mere waste of money and loss of valuable lives without any return.

Now, Sir, I will prove to the Honourable gentlemen that since the last few years our duty as citizens of that Province we performed beyond expectation. We have always been ready to co-operate with the Civil officers, and always ready to respond to the call of the Military officers. We have been spending money out of our own pockets for our safety which fund ought to have been provided by the Government as it is the duty of our Government to safeguard the person and property of every citizen. We are entitled to claim that from our Government, and I am assured this Assembly will support me in urging this point. Sir, we buy our own

4 P.M. rifles and pay for them; we buy our own ammunition and pay for them; and you know very well, Sir, that for every rifle we buy a chowkidar must be maintained; and when occasion arises we residents aid the constabulary and the police. In spite of this, my Honourable friend is not satisfied. He will always call out "Murder after murder; dacoity after dacoity." I would request him to go there and settle there and see with his own eyes the state of affairs there . . .

Dr. Nand Lal: I rise to give an explanation, Sir, because my name has been referred to. The Honourable Khan Bahadur Abdur Rahim seems to be imbued with the official view as the Honourable Mr. Bray was . . .

Mr. President: The Honourable Member from the North-West Frontier Province may be left to give his own explanation. I understood the Honourable Member was going to give a personal explanation.

Dr. Nand Lal: I explain that I approached the subject, connected with the North-West Frontier Province, with reference to the standpoint of the tax-payers and in the interest of law and order. I did not attack any individual officer.

Mr. President: I cannot allow the Honourable Member to deliver another speech. If the Honourable Member thinks he has been misrepresented he is entitled to give a personal explanation; he is not entitled to add a long foot-note to his own speech.

Dr. Nand Lal: Sir, I was never obstinate in my views, nor unfair, I was just in my remarks and I may emphasise the soundness and correctness of my remarks. The criticism which has been levelled against me is altogether unfounded.

Khan Bahadur Abdur Rahim Khan: Well, Sir, I am glad that the Honourable gentleman gave vent to his feeling; I think it must have been a great relief to him. What I am saying is the fact, the naked fact, and none can deny it; and it can be corroborated by the statements in official papers. Now, the Honourable gentleman knows very well that last session a statement was made that so many rifles were distributed. What does this show? Those who keep these rifles do so not only for the sake of the safety of their own person and property, but for guarding those passes of which we are the door-keepers, these passes had always been and are and will be a source of trouble to India. I would bring to your notice, Sir, that when disturbances arise our legitimate demands are ignored and no constructive work is done. I would specially refer to the city of Dera Ismail Khan for instance; that city is in danger; I have been approaching each and every official and told him "For God's sake, do attend to it." The people are crying at the top of their voice and sending representations and deputations to the Chief Commissioner and to every available officer everywhere but up to now no practical step is taken to satisfy those people. We have been doing our work and duty as good citizens and co-operating with all officers concerned, still the Honourable gentleman is not satisfied, he can now see what funds are spent on us. I say this for this reason, that the Honourable gentleman should go there and he should see things for himself.

Dr. Nand Lal: Again a personal explanation, Sir. I have been to the frontier province and I have seen with my own eyes a number of places of importance and interest in this direction.

Khan Bahadur Abdur Rahim Khan: That is only for a day.

Dr. Nand Lal: For many days altogether, so far as I can recollect.

Khan Bahadur Abdur Rahim Khan: Well, I am glad that he has been there many days; unfortunately he has not been to that part . . .

Dr. Nand Lal: I have been to that part too.

Khan Bahadur Abdur Rahim Khan: Take the case of my friend, Mr. Samarth; take the case of our Leader, Mr. Rangachariar. They at least have realised the difficulties of the officers there and they have supported their views. I am glad that this close border policy is adopted and settled to the entire satisfaction of the public, the forward policy if followed no constructive work will be done in India for ages and ages to come.

I will draw your attention now, Sir, to the officers working under Sir John Maffey, they are all doing their best. I cannot help mentioning one or two names because they have been doing extraordinarily good work. For instance, I have much pleasure in mentioning Major Parsons, who has just been saved from death; he got wounded while he was flying in an aeroplane, and I have just heard from him that he has got a stiff elbow for which he will have to go to England. We would be lacking in gratitude if we ignore the services and sacrifices of this gentleman. Then again I would mention the Deputy Commissioner of Bannu, Major Garstin, who has been so successful particularly against the outlaws that in the last two months I think he has beaten the record in arresting outlaws and killing them. I would also recall to memory those officers who have been doing good work on the constabulary and sacrificing their lives.

Now, Sir, when these officers are doing such good work and when the residents of that Province are doing their duty, I think it is very undesirable and very bad policy to criticise them. If we had any sense of gratitude I think we should feel the greatest sympathy with them as good citizens. What I would plead here and what I want to do for my fellow-citizens is that each fit man should be provided with a rifle. It should be the duty of Government to give us rifles; it should be the duty of Government to provide us with ammunition; it should be the duty of Government to provide us with these things and our officers with the necessary funds to deal with the border tribes and then you will see what we will do and what the saving will be. The close border policy is the only effective and least expensive policy, which must be followed and stuck to.

Mr. K. Ahmed: That is not a question arising under the Budget.

Khan Bahadur Abdur Rahim Khan: I am sorry; if you do not know these things you need not mention them. I have been watching what sacrifices have been made and what dangers have been braved by these military officers, they require no comment as they speak for themselves. Some gentlemen say that the money spent there is a waste. I was reading some time back that there was a serious complaint that the English people do not take so much interest in Indian affairs as they take in football. I think we are justified in saying that these Honourable gentlemen do not take so much interest in our North-West Frontier Province as is taken in a small boarding house by people playing ping-pong. They simply criticise it and that is all their interest. They should realise what was the condition after the third Afghan War. If you had not got an Army what would have been the condition of the frontier? If you did not have an army, you could not have established this cantonment at Razmak and in other places without great sacrifice and loss of men and money. No doubt the expenditure is there. But if you claim to have the pride of having a big country like India of course you must have an Army. I have been reading some literature some time back, somewhere a philosopher described beauty as Royalty without force but never read anywhere that there can be an Empire without forces. Perhaps my friend, Dr. Gour, wants to have an Empire without forces. I quite agree with him that there should be retrenchment in the Army. But when we see His Excellency the Commander-in-Chief gracefully giving in where he thinks that he should give in, it will not be proper on our part to oppose him and criticise him. He is without doubt an expert in these matters and he always looks at it from the Indian point of view, therefore his opinion should be respected and accepted. I must say that I like that there should be retrenchment, but it

[Khan Bahadur Abdur Rahim Khan.]

should be reasonable and essential. In that way, if you want to have a saving, do away with the army altogether. Then there will be a saving. Do not have an army and see what will happen. So I say this; we must criticise these things in a good spirit but not in a way which may not be an honour and credit to our courtesy, intelligence and judgment. With these remarks, Sir, I would appeal to Dr. Nand Lal that he should be more generous towards our province and that he should take an interest in our province with the spirit of doing us good and not with the spirit of always criticising us. With these remarks I will resume my seat and not waste the time of this House any further.

Dr. Nand Lal: I shall be failing in my duty if I shall shirk the responsibility of echoing the voice of the people in general and of doing my duty conscientiously.

Mr. B. N. Misra (Orissa Division: Non-Muhammadian): Sir, I do not think really the congratulations or the curses of Honourable Members on this side affect the Honourable Members on the Treasury Benches. They are doing their duty that appertains to their office; we have to do also a certain duty as representing the people. If we go through the whole budget we find, Sir, that it is practically a budget for the maintenance of the administration. As pointed out by Dr. Gour, the whole money that you find is to be spent upon the administration and administration alone. Sir, when the tax-payer pays his hard-earned money, he expects also some benefit. What benefit does this budget provide for the tax-payer? Sir, the only benefit that the tax-payer can ever get is from the improvement of industries and agriculture or from irrigation and such other works and projects by which the people really get the benefit that they desire. I am sorry if I do not swim with the current and with other Honourable Members in talking about retrenchment, in certain directions especially. Sir, I find really that a very very poor provision has been made in the budget for what are called nation-building Departments. India is an agricultural country, and it is known that most of the Government revenue, about 31 crores, is realized from the land. But what actually are we spending for the improvement of Agriculture? I see from the Budget Demand, No. 32 I think, that a very small sum has been asked for for the improvement of this Department. For Agriculture they have asked for 7 lakhs, and for industry only Rs. 44,000. Sir, every one knows the abject condition of Indian industry. I shall ask you just to turn for a moment and look at the articles on your desk, the ink bottle, the pen, the writing paper, the blotting pad; look at all those things and you will find that they are of foreign manufacture. Can you point out anything of Indian make? Is not such a vast country entitled to provide those things the trade in which is dominated by foreign countries? I will ask the Honourable Members also just to look round at the clothes they wear. Of what make is the cloth? All is foreign, Sir. Everything is of foreign manufacture, the thread with which their clothes are stitched and the needle which has been used for the purpose, all are of foreign make; nothing is made in India. (A Voice: "What about yourself?") I am also one of you, not from outside. I wish to point out really the wretched condition of Indian industry. I think that any amount spent on improving Indian industry will not be objected to by any Member of this House and will not be spent uselessly.

As regards agriculture also we find a very small sum of money budgetted for. I speak subject to correction, but from a Year Book I have ascertained that in a country like Ireland, of which, Sir, you are well aware of the size

and which also from your travels in India you know to be but a fraction of the size of India, I found that in the year 1916-17 the Board of Agriculture in Ireland demanded £76,177 for the improvement of agriculture. They provide there for all kinds of agricultural education; they conduct scientific research in agriculture, and they also provide for lectures on agriculture, horticulture, book-keeping, butter-making, and so forth. But what is being done in India on those lines to improve agricultural conditions or industry? Ireland is perhaps less than one-twentieth the size of British India, yet we only are asked for Rs. 44,000 for industry. I submit, Sir, this expenditure on Indian industry is really farcical. Perhaps some Members may say that it is a provincial subject. Sir, we all know what the condition of provincial finance is. The Ministers are everywhere crying themselves hoarse for money. We take provincial contributions; we take the income-tax; the Central Government takes in many other ways the income of the provinces. They have nothing and those Departments are starving. I submit, Sir, that more money ought to be spent on Indian industry and agriculture.

Sir, I do not wish to travel over the same grounds which other Members have covered in regard to the expenditure, especially on railways and on the military. Strictly speaking, the working expenses of railways have increased abnormally. In the budget of 1913-14 you will find that the expenses amounted to 49.26 crores; the estimate for 1922-23 amounts to 94.72 crores. I do not think that that increase is at all justifiable. Honourable Members will see that the same figures have been used, 4 and 9, but the 4 and 9 have been reversed and 94 makes a vast difference. I find from the replies given to some questions which I put that the railway staffs have been greatly increased. I do not see what the justification is for increasing the staffs by 30 or 40 per cent. on some lines, as far as I have been able to gather. I cannot understand why the staff should be increased when they are working the same length of line and the same number of stations. Probably the reason was to provide employment for war-returned men. That seems to be the only object. An increase might reasonably have been expected on account of the increased price of coal and other commodities but not on account of staff.

As regards the military, there is no doubt that we do not know whether we are living in peace or war. Certainly during the war, in a time of emergency, demands on account of military expenditure have to be met anyhow. But the war ceased in 1918; five years have since nearly passed, but still we are living in war conditions. I fail to see why. Sir, as regards Waziristan and the Mahsud country it is admitted on all hands that it is not at all a productive country; also the Honourable Mr. Bray has said that Government have no intention of occupying it. If so, why should we waste so much of our money upon it? It is described as a rugged, hilly country, but I think so far as our money is concerned, it is a bottomless pit. You can pour in any amount and there will be no result. Before so many of our soldiers were not located there, and the people of the province managed very well for a long time, the people for whom my friend, Mr. Abdur Rahim, has pleaded so vehemently. But now for three or four years the province has been kept filled with troops, because the frontier tribes are coming and making raids and committing dacoities and so forth. Are our brave soldiers to be kept there to arrest those dacoits? That is the duty of chaukidars or of the police. The duty of our soldiers is to fight. Are those people waging war against us? They are not doing anything of the kind, and why should our brave soldiers be wasted there simply to catch dacoits and raiders. I have read in the papers

[Mr. B. N. Misra.]

that even in the broad streets of Calcutta dacoities are committed, and also in the streets of London; but no soldiers are kept there to catch the dacoits. I believe that the people could very well deal with the situation themselves. It is only the Arms Act, Sir, which brings all this trouble upon those people. If they are exempted from the operation of the Arms Act they can very well defend themselves against the dacoits. What is the good of keeping soldiers if a dacoit comes after midnight and if he will shoot me and carry away my property? What will the soldiers do? Sir, really, if we are exempted from the Arms Act, if we, Indians, are provided with our own arms, I think we can defend ourselves, and, Sir, there will be no need for our soldiers to defend us and there will be no need for so much money being spent. I won't detain the House much longer. I will only say something, Sir, about the taxation. It was my unpleasant duty last year to oppose taxation vehemently, and also I think nothing has been changed, or no case has been made out, why these poor men should be taxed. Sir, of course, some people say, these poor men are smoking cigarettes, also that the rich men are spending money on motors and on petrol. But granting all that, so far as human nature goes, there must be some waste, but that is no reason why there should be this taxation of the poor. There is one thing. If such a Government as this deals in crores and crores of rupees, it will not be respectable for a Government like this to go to these poor people. Sir, if you are in need, perhaps if you are failing in business, you can approach your respectable Banker or you can approach some respectable friend to accommodate you in your difficulties, but, Sir, I ask you, if you go to your own chaulkidar or to your own mehtar and say, 'give me something,' what would be the result? I think it would be against your own sentiment, and what will these people be thinking? They would think that this Government has gone bankrupt, this Government has no prestige, they are asking us for even a pie, what is their worth? Sir, it will create a very bad impression amongst the poorer classes of the people; they will say, "Government is doing nothing; the Honourable Members are only sitting there to get us taxed." That will be the feeling no doubt. With these words, Sir, I oppose the salt tax.

Khan Bahadur Sarfaraz Hussain Khan (Tirhut Division : Muhammadan) : Sir, I would not have risen to make any general remarks to-day at this late hour but for certain observations made by some Honourable Members. My Honourable friend Mr. Jamnadas Dwarkadas, Sir, has indirectly referred to the permanent settlement. Sir, the permanent settlement was made at the time of Lord Cornwallis; and to do away with the permanent settlement or to make any change with regard to that now would be disastrous, and suicidal. The Zamindars have hitherto been loyal to the core, and any attempt to do away with the permanent settlement would be looked upon by them as a breach of faith. Industrialists have no idea whatsoever of the services rendered by Zamindars in this country. A reference was made to these services by His Excellency the Viceroy in his speech the other day—and any attempt on the part of capitalists and industrialists to do away with the permanent settlement is to be deprecated.

Now I have to make some remarks with regard to the military budget. In my opinion it would be most unfair and ungrateful to criticise the military expenditure after the speech of His Excellency the Commander-in-Chief, and after his having graciously accepted the position and reduced

the expenditure, and you will find in the Retrenchment Committee's Report that they come to the conclusion and recommend that 'military expenditure after a few years be brought down to a sum not exceeding Rs. 50 crores.' Situated as India is,—and you cannot compare India to countries in Europe,—it is urgently necessary that the strength and efficiency of the Army is maintained with a view to stop aggression from beyond and to suppress insurrection within; and in these circumstances, if His Excellency the Commander-in-Chief has been able to accept the reductions, we ought to be thankful and grateful to him, and not to criticise him; and I think it would be very ungrateful on the part of the Honourable Members not knowing much about the military affairs to do so. Now, Sir, I come to the present question. The question before the House is whether we are to accept the enhanced tax on salt, or whether we should allow the deficit budget to remain unbalanced. I must say I am against any enhancement of the duty on salt on two grounds, economic as well as political. Politically, I say, Sir, the masses are now adapting themselves to the changed conditions created by the increased taxation of last year, and an increased tax on salt would I am sure spread further discontent amongst the already discontented people. Unrest amongst them is gradually subsiding and further taxation is apt to add fuel to the fire, giving as a matter of course an opportunity to the agitators to exploit the excited feelings of the masses—a contingency which in my opinion should be avoided. Now the question is, whether the Budget should be allowed to remain as it is. But at the same time I must say that I will be the last person to agree to an unbalanced budget, with an uncovered deficit of nearly 4½ crores, and I fully agree with the Honourable the Finance Member that it would be a most unsound financial policy to leave the deficit in a Budget uncovered. How is this deficit to be met? In my opinion the deficit can be met by further cuts from the Demands than have hitherto been made, as well as from an export duty on petrol and an import duty on silver; and I may also suggest that if it would be possible, something may be done in connection with stores. I have seen the Retrenchment Committee's Report, and I find in paragraph 7, page 292, of their Report, the Retrenchment Committee say—and I may add that the adoption of the Committee's recommendation would bring in a decent amount. The quotation is:

"We also desire to draw attention to the magnitude of the stocks of stores held by many departments, as shown in the following statement:"

Department.	Value of stores held on March 31st, 1922, or, nearest date.
	Rs.
Army	20,14,71,000
Marine	75,11,000
Military Works—	
Mobilization stores	87,69,000
Ordinary stores	35,41,000
Telegraphs—	
Mobilization stores	44,09,000
Ordinary stores	1,53,40,000
Post Office	1,77,000
Indo-European Telegraphs	11,00,000
Mathematical Instrument Office	11,72,000
Railways	34,58,00,000
Railway Institute	6,32,000
TOTAL	58,99,22,000

[Khan Bahadur Sarfaraz Hussain Khan.]

The country cannot, in our opinion, afford the lock-up of capital which this huge sum represents, apart from the consequent expenditure on the establishments engaged on the maintenance of the stores, the buildings for their accommodation and the inevitable loss from depreciation. We recommend that an early and progressive reduction be effected in these large holdings."

I cannot say, Sir, as to how much can be deducted from these stores, but taking all these things into consideration, I think that reductions can be made; and I oppose the salt tax and I suggest the other duties.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Sir, as a non-official Member elected by the people of this country I shall have to offer certain criticisms on behalf of the people for the benefit of the country in general. The Honourable the Finance Member in his introductory speech has said many things, but, Sir, if I level any attack on the Honourable the Finance Member and the Government both here and in England, I hope my Honourable friend, the Leader of the House,

(Rao Bahadur T. Rangachariar at this stage took the Chair.)

and the Government Members will kindly pardon me. In dealing with the discussion on the subject of the Budget, Sir, I shall have to begin by saying that I heartily congratulate the Honourable Sir Basil Blackett, the Finance Member, who has been able within the short compass of time to get by heart the full 15 pages of the Gazette of India, dated 1st March, 1923, and I hope he must have digested them in full and realised that he is the inheritor of the fruits of the hard labour of the Honourable Sir Malcolm Hailey. Sir, among all the items of the coming Budget, the military expenditure has again taken the major portion of the whole revenue of the country. The Honourable the Finance Member at the outset expressed the congratulation for securing the appointment of the so-called strong and able Retrenchment Committee presided over by Lord Inchcape who has been described as a fore-runner in the whole show in the matter of retrenchment. On the morning of the 1st March, before the commencement of the business of this House, I was taken in confidence by some of my distinguished colleagues to consider whether it would have been desirable or advisable at that stage, Sir, to move for an adjournment of the introduction of the Budget. The country is aware, Sir, that the Members of the Inchcape Committee were nominated by the Government, neither on the principles of representative character, nor was this House, which is the Parliament of the country, taken into confidence by the Government in the matter of making nominations. I daresay, Sir, that this Assembly is well aware that the number of interpellations and the volley of supplementary questions on my starred questions, have been put and fired at, at the last Session at Simla, but the Government was too slow to move in the matter, and the voice of the people of this country remained a voice in the wilderness. The voluminous report of the Retrenchment Committee has hardly done any good so far as this Budget is concerned. I take this opportunity to congratulate one of the most able and energetic Members of the Committee, the Honourable Mr. Purshotamdas Thakurdas, who has taken great pains in writing supplementary notes on various subjects.

Now, with regard to the military expenditure which has made this country insolvent, the less I talk of the present Government the better, because the country understands and the Government, I believe, realises in full, that there is no other country which has a worse top-heavy administration than India, owing to its extraordinary, all-absorbing, drastic and

blood-sucking military expenditure, it will remain a dark spot in the history of the British Administration of India. One of my Honourable friends, a nominated Member of the Assembly, had said a few days ago—I think it was my Honourable friend the Khan Bahadur of the North-West Frontier Province, who is not in the Assembly now—that India is a God-forsaken country; that is why the people are poor and helpless. But, Sir, I find India cannot be without a God; moreover, the people are religious and devoted to the Gods and Goddesses. The Brussels International Economic Conference, about which my Honourable friend, Dr. Gour, has also made a reference, have also passed a Resolution recommending all nations not to spend more than 20 per cent. on their revenue on the military expenditure. Even in England, Sir, the military expenditure comes to about 16 per cent. and the Dominions and Canada spend much less. Our expenditure comes to about 60 per cent. (*A Voice: 'Forty per cent.'*) Make it 58 per cent. at the utmost, Sir. It is surprising, Sir, that out of the total expenditure in India only 4 per cent. is spent on education and only 3 per cent. on sanitation. The Assembly will be horrified to hear that in Bengal there have been more deaths in some districts than births for want of sanitation. After 150 years of British rule the people of India have remained backward for want of education and thousands are dying of starvation every day.

Sir, the Honourable Mr. Denys Bray, the Foreign Secretary, in his impressive speech, attracted the attention of the Honourable Members of the Assembly by the remark that in Waziristan this reckless and would-be insolvent Government has already spent twenty crores of rupees. We have not got a clearly defined policy in respect to Waziristan which has been the sinkpot of the Indian revenue. The Foreign Secretary, while speaking the other day, said that "human nature cannot tolerate a vacuum" when he was describing the Frontier situation by the Durand line which is situated between Afghanistan and British India—not India but British India. Sir, there have been certain comments over this phrase, because it was denied by the Honourable the Foreign Secretary. My Honourable friend, Mr. Seshagiri Ayyar, quite rightly pointed it out and those were the *ipsissima verba* of my Honourable friend, Dr. Gour, who also commented on them. This reminds me of a story Sir, where a child was crying for the moon in the lap of its mother not realising the immense 'vacuum' that is left between the earth and the moon. Lord Inchcape who has achieved a brilliant success amongst the interested Europeans in India in the sphere of commerce and industry and who has now become the prize boy of the Government of India has gone to Waziristan. I think on the night before last after the Retrenchment Committee's Report was placed before us, to measure the same 'vacuum.' There started the introduction of the Budget on the 1st of March. May we not say, Sir, that there is thus seen a similar 'vacuum' in the Retrenchment Committee's report as well? Let us accept the close border policy and hold our Frontier secure leaving the tribal country alone. It is a potent fact, Sir, that the services of our Army have been utilised abroad in South Africa and France in the past. I do not think, Sir, that the elected Members of the Assembly will approve of the action. Our poor people, the payers of the revenue, cannot bear the burden of such military expenditure any longer. The sooner the non-votable system is wiped out from the budget the better will it be for the country and the Government. Sir, doubling the tax on salt is a drastic measure adopted by the Government and it will be better if this most outrageous habit of recommending every year a salt tax be-

[Mr. K. Ahmed.]

changed. About 97 per cent. of our population is poor and this measure will take the taste from the food of our people and thereby lead to manifold evils such as malaria, cholera, kala azar, etc., etc. Salt is also a food of the animals that plough the land and it is also used as manure, and by increasing the salt tax, the growth and fertility of our soil will be affected and diminished. I am surprised that the Finance Member, without appreciating the real situation, has taken a leap in the dark by introducing this measure which will hurt and finally kill the major portion of our population. I am sure he will realise nothing from them after they are dead and gone. The present system of taxation will bring the wreck and ruin of the country. He will make the country not only insolvent, but she will be so much bankrupt that the Honourable the Finance Member will not be able to raise any loan from abroad on the payment of any higher rates of interest. The charm of the Government of India Act will no more be able to enforce any payment of high rates of taxes saying that the military expenditure is non-votable. Great chaos and darkness will await the country and the crushing military expenditure will be responsible for it. The Honourable Sir Basil Blackett has referred to our pulling together with the hope of quickly getting the boat out of the vicious circle which is threatening to drag India down on the rock of insolvency, but Sir, as I have pointed out, shall we join the Honourable Finance Member in pulling together the dead bodies and carcases of our people to take them to the burial ground for their cremation or is there still a ray of hope in the mind of the Finance Member that . . .

Mr. Chairman: Will the Honourable Member bring his remarks to a close?

Mr. K. Ahmed: . . . that he will be able to realise large sums of money to be paid out of the Indian revenue on the non-votable absurd system. With these few words, Sir, I protest very strongly against the military expenditure and the enhancement of taxes on salt. I support, Sir, the budget as far as Posts and Telegraphs are concerned because, Sir, they are the messengers of the poor people of this country and we cannot get on without their help, though my Honourable friend, Dr. Gour, has opposed it very vehemently. I suppose the taxes on petrol . . .

Mr. Chairman: The Honourable Member must bring his remarks to a close.

Mr. K. Ahmed: Sir, only a second. Many Honourable Members of this House have taken part in supporting a proposal to levy a tax on the export of petrol to foreign countries. I fully agree as it is an extraordinary thing that the petrol raised in this country is exported to foreign countries and sold there much cheaper than we get it here in this country . . .

Mr. Chairman: The Honourable Member must stop there.

Mr. N. M. Joshi (Nominated : Labour Interests): Sir, at this late stage I shall not take the time of the House at great length. I shall content myself by making a few brief remarks on some of the points of this hope-inspiring budget. Sir, in spite of the explanation given by my Honourable friend, Mr. Ayyar, I am not quite convinced that there is no room for retrenchment in this budget. The Retrenchment Committee have proposed certain figures for retrenchment for the year 1923-24. The Government Members have interviewed the Retrenchment Committee and they

have certainly explained to them in which items retrenchment was not possible this year, and after receiving this explanation of the Government Members, the Retrenchment Committee have recommended that in the civil estimates there should be a reduction of 9 crores of rupees. Government have proposed only a reduction of $6\frac{1}{2}$ crores, so there is still a margin of $2\frac{1}{2}$ crores. Mr. Ayyar asks for the crores which some Members said were hidden in the budget. I will show him some of them. Sir, there are about a dozen departments of the Government of India which altogether show an increased expenditure of about 1 crore and 40 lakhs, whereas in these very departments the Retrenchment Committee ask for a retrenchment of 1.20 lakhs. My Honourable friend, Mr. Ayyar, will say, yes the Government of India is going to make a retrenchment. They may make a retrenchment of 1.40 lakhs and bring down expenditure to the normal level, but that is not retrenchment. You only keep the expenditure of these departments at the level at which it stood last year. Therefore at least 1.40 lakhs are hidden in the figures which Government have presented to this House. Then Sir, if the Government consider that there are some items suggested by the Retrenchment Committee which they cannot accept, so every one of us has got some fault to find with the Retrenchment Committee. I myself do not approve of the recommendation of the Retrenchment Committee recommending the abolition of the Labour Bureau and also the alteration of the leave rules of the workers of the Government Printing Presses. But we all agree on one point, that there should be a total retrenchment of $19\frac{1}{2}$ crores of rupees. Let Government also agree with that proposal; let them show that they have made a retrenchment of that total recommended by the Committee and then the House will be satisfied, but it is necessary for them to satisfy the House on this point.

Then my Honourable friend, Mr. Ayyar, again persisted that the annuities should not be charged to capital and he said the annuities are a sinking fund. But my Honourable friend ought to know that there is a separate item for sinking fund in the railway accounts. Why should there be two items for sinking fund in the railway accounts? Moreover, the House must see that there is a great danger in wiping out capital as is being done by charging the annuities to the revenue. If you wipe out capital, there will be the incentive for the railway management to keep down working expenses. It is not therefore a wise policy to wipe out capital of railways, especially so as the Government is thinking of separating railway accounts from those of general revenues. The railway expenses have grown tremendously, as will be seen clearly from the Retrenchment Committee's Report. Sir, talking of railways, I want to protest against the action of Government in not accepting my suggestion that the establishment roll of the railways should be supplied to the Members of this Assembly. I asked the Government whether they would supply the establishment rolls. They said no; but on what ground? On the ground that the printing of the establishment roll will cost a good deal of money. I was told on the same occasion that Government prints the establishment roll for the use of the office. If they print the establishment roll for the use of the office, the printing of an additional 100 or 200 copies will not cost more than Rs. 100 or Rs. 200. I therefore strongly protest against the action of the Railway Board in not supplying the establishment rolls to the Members of this Assembly. Without having sufficient details we cannot really criticise the railway budget at all.

[Mr. N. M. Joshi,]

Then, Sir, I want to make one additional remark. The Government of India have placed before us certain information about the steps they have taken to improve the lot of the third class railway passengers, but I am not satisfied with the scrappy information which they have given in their memorandum. We want a clear statement from the Government of India as to what they have done to improve the condition of third class railway passengers and we want them to compare the amounts spent on improving the second class and first class railway facilities with the amounts spent on improving the railway facilities for third class railway passengers as well the revenue obtained from these classes of passengers.

Then, Sir, there is still lurking in the budget a tendency which we have been seeing on the part of the Government of India to go on increasing their own expenditure. I have already explained how expenditure is still increasing in certain departments and especially so in the Political Department. Sir, in spite of the eloquent speech of my Honourable friend, Mr. Bray, I am not satisfied that the expenditure on the Political Department should have gone up by 38 lakhs, whereas the Retrenchment Committee has asked for a retrenchment of 45 lakhs.

Sir, I shall only say one word as regards the new taxation, and it is this that if Government consider that the poor people in his country are not sufficiently taxed, let them make an inquiry as my Honourable friend, Mr. Ginzala, has suggested to us. If, after inquiry, it is found that the poor people in this country are not sufficiently taxed, let them be taxed, but let not Government shirk the inquiry. Let them see too what is the incidence of taxation on the poor people and what is that incidence of taxation on the rich people. Sir, I was greatly surprised at the remarks which two of my English friends in this House made about the taxation of imported foodstuffs. While these two English gentlemen oppose the taxes on imported foodstuffs, they have supported the salt tax. They oppose the first tax on the ground that it was a tax on food. Do they not know that salt is an article of food? (A Voice: "Yes.") Why do they support the salt tax then? I was very sorry that these two gentlemen should have shown a racial bias in this matter. With these words, I resume my seat.

Haji Wajihuddin (Cities of the United Provinces : Muhammadan Urban) : Sir, nothing but a deep sense of duty compels me on this occasion to stand up and express my opinion on the budget and the new taxation, proposed by my friend, the Honourable Finance Member. It has been a very tedious tale to hear of deficits every year, and we are, of course, sick of it. However, it is our fate, and we must hear it with due resignation. But how to satisfy the people, who are already overburdened with multifarious taxations, and consequently uneasy and dissatisfied, is to be weighed well before a further step is taken to impose a fresh one. India is threatened with insolvency and loss of trust in the eyes of the world, and in order to avoid the appalling humiliations and foreboding disaster, we are told, the new taxation is inevitable, and that new taxation can take no other form than that of an increased duty on salt. I may be pardoned if I remark that my Honourable friend, while referring to the old records of the last two years has overlooked the study of the opinion almost unanimously held by this House, regarding the self-same question of salt taxation. Was not the same proposal made last year? Are the conditions changed since then? Are we ourselves changed in any way? Why! What also should then be expected from us this time? Whatever may be the calamity to be faced,

we must not forget our duty. Loyal to the Crown, as we are, we cannot be less faithful to our own motherland. The aim of every good Government is to seek the welfare of the people governed by it, and it is our duty to guide it to the right path, when it is going astray. We know that the deficit must be met somehow. We realise the necessity of finding means to achieve the end. But we likewise know that there are a hundred and one ways other than to cut the throats of the poor people. Every one of us knows that the proposed taxations will solely fall on the heads of the poor people. For it is they who consume salt mostly. Well-to-do people may indulge in luxuries but the suffering multitude who can hardly earn three annas a day have as their only luxury salt. Salt is the only savoury in their food. If the Government deprives them of this luxury even, it does not favourably acquit itself in the eyes of the people, whose destinies are given in its hands.

Now the question is, if this new tax is to be imposed upon the poor man's luxury, will it serve the purpose of its imposition? I think not. In the days of Lord Curzon this tax was raised to Rs. 2-8 as now proposed, and people began to refrain from consuming salt and its total consumption was reduced to a considerable limit. Will not the same result follow now? Will not then the reduction in the amount of consumption tell upon the income and will not then it become unnecessary to keep it any longer? What will it bring? Nothing but discontent and suspicion. Agitation will again find a foothold in the country and the peace and tranquillity of the people will be disturbed once again. It will be another great shock to the foundations of the Reformed Scheme at a time when the convulsions produced by the speeches of the ex-Premier and the present Secretary of State for India have hardly subsided, and also non-co-operation is not dead but is thinking of joining its forces to wreck the Reformed Councils.

If deficits are to be met with by taxation, let it be imposed upon those who can pay it. Let it fall upon the luxuries of the rich rather than upon the direct necessities of the poor. Let the suffering multitudes be left undisturbed. If taxes are to be levied, let them have some moral force behind them. Let them be supported by some noble considerations other than mere money making. If taxes on liquors and other intoxicants are levied, will they not serve the purpose? Will they not fall on those who can pay? Will they not have the hearty thanks and the support of the nation along with the blessings of Almighty God?

If we raise a tariff wall against the foreign manufactured goods, will it not bring a big income as well as help the Home industries? So, why not do that and why tread under foot the poor who are already below the poverty margin in all the civilized countries of the world and who can afford no other seasoning to their meals other than this devoted salt?

5 P.M. For a long time, salt has been an eyesore to the Government but it is beyond comprehension how it came to be so. Time after time the Government have raised this particular tax and it was found again and again that they had to retrace their steps. Perhaps they had a notion that this tax can be easily collected, falls on all, and so is lightly felt. But alas, past experience tells a different tale. It has proved beyond any doubt that it falls on one class, is keenly felt throughout the country and is strongly opposed by the Press, on the Platform, and in the Councils.

Mr. B. Venkatapatiraju (Ganjam cum Vizagapatam: Non-Muhamadan Rural): Sir, I rise to congratulate the Honourable the Finance Minister not for his masterly and lucid exposition of the budget, not for

[Mr. B. Venkatapatiraju.]

his grasp of principles, not for his mastery of details but because he has the sturdy independence to call a spade a spade. He has stated, Sir, for the first time in the face of the Government that their progress in the administration of this country during all these years has not been moral or material progress of the land but a rake's progress. When some three years ago I stated that the several departments of the Government of India were suffering from squander-mania, the then Finance Minister, Sir Malcolm Hailey, said "No, every Department is doing its best to economise their expenditure." But fortunately things have happened differently. We have Lord Inchcape's Committee which has now presented its report. Any knowing man who reads that report between the lines cannot help criticising the Government of India for their maladministration of all these years. The figures which they give show the way in which public money, the money of the poor man, has been wasted year in, year out, by the Government who have always used plausible language but without saying anything definite except that the time was not yet come when they could reduce the expenditure. Now, Sir, both the Government of India, and I am grateful to acknowledge, His Excellency the Commander-in-Chief have admitted that they agree with these conclusions to reduce expenditure. Now, I would like to ask, Sir, why there is this necessity to reduce expenditure in the year 1923-1924 which our friends on the Treasury Bench ignored last year when there was a deficit of 27 crores? If anything, the necessity was greater in the previous year. Was there never any necessity from the year 1917-1918 until now? They have failed to discharge their duty in reducing their expenditure and thus saving the poor. Why should they have taxed the country nearly fifty crores extra which they should repent of having done?

Now, Sir, it is not the fault of the Assembly, it is the fault of the Government, if we have failed to balance the Budget. The new Finance Minister, with all his ability and eloquence wanted us to believe that the world would come to an end if we do not cover the balance. May I respectfully tell him, here we have the Commander-in-Chief who has generally accepted the recommendations of the Inchcape Committee, in spite of—I say it with all due respect to Mr. V. V. Iyer who is an authority on accounts,—that he is juggling with words, when he stated that the Government has practically given effect to the recommendations in the Budget. Why should not the Finance Minister prepare the Budget in accordance to the recommendations of Lord Inchcape Committee to avoid all deficit. The Honourable Mr. Burdon has admitted that 14,000 people in the fighting services recommended by the Inchcape Committee for reduction was not given effect to in the Budget, and the Commander-in-Chief stated that he agreed to that proposal. Let alone the removal of the units of cavalry and artillery, with reference to the fighting strength, there was a recommendation for 14,000 people to be reduced. What would be the cost of reducing 14,000 people, and the followers and others? It would have amounted to more than 4 crores and odd. Would not that have been enough to cover the deficit? It is true the Finance Minister has told us they are still corresponding with the Secretary of State on the subject. Then why should we now provide for it in covering this deficit. Let them press it on the Secretary of State and say we cannot get on here. The one excuse the Secretary of State has hitherto had all along is that the man on the spot, the Commander-in-Chief who is responsible for the safety of the country, does not agree to it. Now

His Excellency the Commander-in-Chief has stated on the floor of this House that he has agreed to the proposal. Where is the difficulty now? Why should the Secretary of State not respect the word of the man on the spot. If the Commander-in-Chief now thinks that it is safe to reduce the strength and take the risk then the saving effected thereby may be used in the direction of covering this paltry 4½ crores—paltry when compared to the deficits we have had to face in past years. May I invite the attention of the Finance Minister with his thorough mastery of all these things, to what we have done decade after decade in the matter of expenditure? Several of my friends here have stated the facts with reference to the last decade and I may tell him, though perhaps he is already aware, that we have increased our expenditure in a manner startling and quite in keeping with the policy adopted in the previous years. In the decades to which I refer we spent

	Crores.
In the year 1882-84	41.66
" " 1893-94	51.87
" " 1902-04	73
" " 1911-14	82.80
" " 1923-24	131

And how have we increased the military expenditure during the said five decades that I have mentioned. From 18 to 20 crores and then it jumped to 26, and then 31 and now 62 crores; and that is the figure he suggests we should accept. Now my suggestion is that as has been pointed out by Dr. Gour we have exceeded very much more than 20 per cent. of the whole revenue of India. Is it not then the duty of the Finance Minister to safeguard our interests and to see that under no circumstances we spend more than what is absolutely necessary. Does he not know that every Province is groaning under its burden and every Provincial Budget shows a deficit. The Finance Minister spoke as if he doubted that the deficits in the Provinces may not be real, and he stated that some Member reported to him that the deficits were kept up while they could easily cover their deficit. The same plea may be adopted in our case, and we may also doubt whether the Finance Minister could not cover up the deficit if he had a mind. I shall only refer him to certain figures in other parts of the Budget. You find various recommendations made by the Inchcape Committee were not given effect to in the estimates. I have referred to the reduction on the military estimates, and I may mention, Sir, with reference to the Railways' working expenses, what was recommended by the Inchcape Committee was not taken in the Budget but a very much higher figure was given. I might also mention, Sir, that they have not only mentioned the reduction in the strength of the fighting force, but they have also suggested that 20 per cent. should be reduced from the war strength in order to bring it to peace strength. That was not done. We are still waiting for the reduction in the cavalry and other regiments; we have got an assurance that the capitation rate could very well be reduced. If that could be reduced, was it not the duty of the Secretary of State, who wanted that we should know our own duty, that he should have recovered this amount not only now, but long before, instead of foregoing income which he ought to have realised on that account? Unfortunately, we have discussed the matter of State and company management of railways, and decided State management not because we were enamoured of State management, but because we found that Company management was worse and therefore we preferred bad to

[Mr. B. Venkatapatiraju.]

worse. I would ask the Finance Member to find out what was the working expense of the railways when the Railway Board was established. Till then our working expenses were limited to 46 or 48 per cent. of gross receipts during the years from 1890 to 1905, then when we got the Railway Board the expenses went up in 1906 to 50 per cent., in 1907 to 57 per cent., in 1908 to 62 per cent., in 1910 to 55 per cent. and in 1911 to 56 per cent. and in 1913-14 to 51.79 per cent. and in 1921-22 to 76.22 per cent. Since these guardians were appointed and expected to watch our interests we find the expenses growing. Perhaps there may be some reason or other and it may be said "Oh, circumstances were beyond our control," but all the same it does not bring any satisfaction to the poor tax-payer. When it was stated that the Railways were being treated as a commercial concern, they ought to remember how much of the poor man's money was invested; we have been spending without acknowledgment 300 crores from the revenues of this country besides the money borrowed. That was not taken account of. I would also invite your attention, Sir, to the growth in this compensation for thefts committed in the railways. Do you know how far it has grown? In 1916 it was 18 lakhs, but in 1921-22 it was 116 lakhs. Are we to tolerate that these thefts should be committed and we should be made to pay 116 lakhs compensation? Is this the good management under the company? Now, whatever may be the contractual relations it looks odd that the person who is the major partner who has paid 9/10th of the capital has to suffer loss of 926 lakhs whereas the surplus profits are paid to the companies to the extent of 106 crores; at a time when this amount was not sufficient to pay the interest on the capital the surplus profits are being paid. They say that we entered into the contracts and we have to fulfil them. The Indian would never say not to do that; he is ready to fulfil all his contracts, but he says "Who are those persons who entered into such one-sided bargains whereby we have to lose crores and the other persons take huge profits?" That, Sir, is what is called Company management.

It is urged in this House that when salt tax was discussed the poor man was not at all taxed. Even Sir Malcolm Hailey last time committed that mistake when he said that the poor man did not contribute towards the central revenues besides salt tax. He is no doubt a great authority, but may I remind him of an equally great authority, Sir Edward Law who stated that out of the whole customs duty 25 per cent. was paid by the poor man and not by the rich millionaires. If our leader, Mr. Seshagiri Ayyar, had had time he would have stated that it is the unanimous opinion of the House that the salt tax is an oppressive tax and will never be tolerated if we have any power to vote for it; and so far as we have the power we shall certainly reject it; and now it is for the Finance Minister to consider how best to retrench or provide otherwise.

A tax on petrol has been suggested, against which Mr. Innes has given certain reasons. It is for you to judge whether those reasons should stand in the way of preventing the imposition of export duty on petrol which will bring in about 75 lakhs of rupees. There are other things also to be considered. But is it not worth while for the House to consider, as we have adopted a policy of protection for our country, should we not prevent $\frac{1}{2}$ or nearly $\frac{1}{2}$ rd of the salt that is imported into the country by imposing some import duty to help the salt industry? Is it impossible for such a vast country like India to produce sufficient salt to provide for the 815 millions

of her people? That aspect might perhaps be taken into consideration, because the Government has got the power of controlling the price. They could as well adopt that import duty without increasing the price of the salt and without restricting the production in India and preventing the minor salt owners to bring in large grounds under salt pans; it might also help the Governments in various provinces to bring in vast lands under cultivation so that it could be done to alleviate the poor people and prevent the unnecessary introduction of foreign salt, because it is imported without any cost; it is loaded as ballast in these ships and they are dumped on our shores and we are unable to compete with it because it comes in without any extra duty. I do not think any other country would have tolerated such an injustice of allowing foreign salt which does not pay any excess duty to come into our land whereas the production of salt in the country was restricted directly or indirectly. I mention one more point, Sir. If an import duty on salt is levied and necessary steps taken not to increase the prices here we would get 159 lakhs because there will be

The Honourable Sir Basil Blackett: I rise to a point of order. The Honourable Member has talked for the last five minutes about imposing an import duty on salt as if it were a new recommendation. There is an import duty on salt and it is proposed to increase it.

Mr. B. Venkatapatiraju: Perhaps the Finance Minister did not understand me. I know perfectly well when I am talking of the salt duty on imported salt to be increased that it is being imposed on imported salt; I am perfectly cognisant of that fact. What I say is "Do not tax what is manufactured in my country to an equal extent with imported salt but tax it in such a manner, not as a measure of providing revenue for the Finance Member, but as a protection to improve the manufacture of salt in this country, so that it would suffice and India need not depend upon foreign imported salt." Now if we refer to

Mr. President: I must tell the Honourable Member that he has exceeded his time.

Mr. B. Venkatapatiraju: Just a minute, Sir; we can realise on jute, if we impose 5 per cent., about 2 crores; on motor spirit we can raise about 75 lakhs and on imported salt 150 lakhs; all this together will cover the deficit; but I might say that it is not the duty of the House to cover the deficit; it is the duty of the Finance Member to reduce the expenditure; and if he had accepted the proposals of the Inchcape Committee he could have done it.

The Honourable Sir Basil Blackett: Sir, before I proceed to deal with the debate as a whole I think it is necessary that I should make a few remarks about the last speech. We have tried very hard to explain to the House that the estimates before the House are based on the assumption that the Retrenchment Committee's recommendations are accepted in full and put into force at the earliest possible date. The idea persists that there are extra crores up our sleeve which we can produce by putting these recommendations into force at an earlier date, or that it is only necessary to antedate them in order to get more out of them. But, of course, that is an impossibility. The suggestion that the budget deficit can be balanced by making use of the recommendations of the Retrenchment Committee to a greater extent than Government has done is an

[Sir Basil Blackett.]

impossibility. The deficit is there after making full use of those retrenchments and making allowance only for the fact that it is impossible for us to antedate them or to bring them into force to-day. Perhaps it would be useful if I read one or two remarks made by the Retrenchment Committee themselves on this question of the date on which the recommendations should come into force. On the military services, page 58, they say:

"If our recommendations are accepted, and, if they could all be brought into effect at once, the military budget for 1923-24 could be reduced to Rs. 57½ crores, but we recognise that it will take some time for the whole of these savings to materialise. . . . The Finance Department in framing their estimates will require to make an allowance for terminal charges and for the expenditure which must necessarily be incurred during the period required to give full effect to the changes which we recommend. We are not in possession of the data necessary for framing such an estimate."

We have framed such an estimate and it is on that basis that we presented the military budget of 62 crores. The same applies in regard to the civil expenditure. At the end of their report the Incheape Committee say:

"We recognise that it will not be possible to secure in the ensuing year the complete reductions proposed, as under the rules notice must be given to surplus establishments, large reorganisations cannot be effected immediately, and large terminal payments will be necessary in some cases. It will also be necessary to make provision for increments to establishments on time-scale salaries. We recognise, also, as stated in paragraph 3 of our general conclusions on the Military Services

(which I have just read)

"..... that some of the reductions proposed represent reductions in stocks of stores and are therefore non-recurring. Even allowing for those factors, however, we believe that our recommendations, if carried out, will go far towards solving the problem of restoring India's finances to a secure basis."

The effect of the recommendations of the Retrenchment Committee, Sir, has been estimated as far as possible by the Government, so far as their effect on the year 1923-24 is concerned, and it is on that basis that we have arrived at the estimates for 1923-24, which show as against the expected revenue a deficit of 4.26 crores. Our problem still remains, how to cover that deficit. The speeches, of which there have been 40, I have listened to in the course of the last two days have all been very interesting and instructive. I have to thank, I think, every Member for a very kind personal reference to myself. Let me at this stage also incidentally make good an omission which has been remarked on in my speech last Thursday. It was, Sir, far from my thought to deny to this House its full share of the credit of securing the appointment of the Retrenchment Committee. If I did not make a specific reference to that in my speech, I must make the same excuse as was made by my friend, Mr. Seshagiri Ayyar, for cutting short his compliments, there was not time; I did not want to spend too much time on other than essential matter. All the speeches have been interesting too from the point of view that almost without exception—and this is a matter upon which I congratulate the House and myself—almost without exception it has been recognised that this deficit cannot be left uncovered. It is an unpleasant necessity which we have to face. Mr. Shahani who opened the discussion recognised that we could not leave the deficit uncovered; Mr. Spence who followed joined in the appeal to cover the deficit. Right through every speech I think it was recognised that the deficit must be covered and more than one Member appealed to me to examine, in consultation with

the House, the possibility of avoiding the salt tax, and the whole of our discussions really come back to that—how we can cover the deficit and avoid the salt tax. As I have already explained, try as hard as we will, we are honestly convinced that there is no possibility of a further reduction in expenditure in 1923-24. I am not prepared to say that all possible reductions for all time have been made, but for 1923-24, I think the House should take it from me that there is going to be very great difficulty in carrying into effect the reductions which we have taken the responsibility of including in the budget figures. There is no possibility in 1923-24 of reducing our estimates of expenditure below the figures we have taken. Again and again in their deep anxiety to avoid the deficit Members have harked back, as the last speaker did, to hopeful expectations that something more may be got out of the Retrenchment Committee's proposals. But they are only doing what the Government of India had done before. I think if you were to wander round the various Departments to-day and ask them what had happened to some favourite project, they would all repeat a couplet which we knew as children, that is, those of us brought up in England:

"The ship went down with a shiver and a shock
Fore God it is the Inchcape Rock."

I do not think there is any hope of further reductions; they have all gone down; all the extravagances and a great many desirable items have gone down on the Inchcape rock. I ventured to prophesy in my speech last week that all the Members would manage to disagree with me on some point or another, and I think I have been justified. Quite apart from the salt duty, individual retrenchments suggested have been criticised. The most common form which that criticism took, though not the only one, was a criticism that the so-called nation-building departments had suffered most. Now, I do not think that that is really a fair criticism. Under the federal system under which India works to-day, Education, Public Health, Irrigation as well as Land Revenue are provincial subjects. All that the Inchcape Committee has done in regard to these subjects is in one or two cases to recommend a certain amount of reduction in the provision made in the Central Government's estimates, and their justification for doing that is nearly always something in this form. At page 120, the Committee say: 'In view of the essential modification of the position of the Central Government *vis-à-vis* the provinces under the Reforms Scheme in respect of education and medical administration, which are now transferred subjects, over which the Government of India exercise a very limited control, we do not consider that there is any justification for the retention of the Educational Commissioner.' Indeed any economies that are suggested by the Retrenchment Committee in that direction are small ones, and they scarcely touch the problem of the nation-building expenditure to which reference has been made. I do not think therefore that it is quite fair to make that sort of criticism of the Retrenchment Committee. I would like to add just one other observation. We have not yet effected those reductions. Part of the actual giving of effect to these reductions will take place next week when we are discussing the Demand Grants. Now I refer again to my speech last week; I said that I never heard of any retrenchment except one which was universally popular. I think that it is necessary when we come to that to keep our minds on the Budget as a whole and realize that if one of us dislikes one particular bit of retrenchment very much, another Member probably regards another bit of retrenchment as equally wicked, and we have got to take the good with the bad;

[Sir Basil Blackett.]

in order to get the reductions which are essential, some of us have got to accept reductions which rather go to our heart. It is impossible to characterize all reductions as mere cutting down of expenditure; some of them are undoubtedly the cutting down of what may be described as desirable expenditure. But for the time being the position is that we cannot afford it; and I do hope that when we come to the actual discussion of the reductions, we shall keep the broad fact, that we cannot afford expenditure, in our minds rather than the more obvious factor in dealing with detail that it is a very desirable bit of expenditure.

There was a very famous cartoon during the war which pictured a soldier who afterwards came to be known as old Bill standing in a shell hole with two others—there were shells falling all around him, and he was looking particularly uncomfortable, and he was saying, 'if you know of a better hole than this, then take me to it.' Now that is the position of the Government in regard to this question of the salt tax. If any of you know a better hole than this, take me to it. But I have listened with great interest to the suggestions that have been made from one quarter or another. Bombay wants an export tax on jute—it has even been suggested by some non-Bombay Member, that we should increase the cotton excise duty. (A Voice: "Not seriously.") One very interesting suggestion was entirely new to me; I think that I may honestly say that it was not the only one that was new to me; the Government of India spent a great deal of time in reaching the unfortunate conclusion that it knew no better hole than this. It was a suggestion made by Sir Gordon Fraser; he only partly escaped the hole because he was going to retain a portion of the salt tax, the rest he was going to cover by an increase of half an anna in the rupee in the revenue from customs and income-tax. That was a novel suggestion, and the Government will be very ready to examine it, but it has obvious difficulties on the face of it. I should not care to be the Customs Collector who was collecting 1/32nd additional on each invoice that he had to make out; it is a very awkward fraction to work, to say the least of it, but it is a suggestion that I should like to have the opportunity of following up a little further. Various other taxes have been suggested which we had already very carefully considered. Mr. Innes has already explained the unfruitful and dangerous character of an export duty on petrol. The tax on silver is a hardy annual. It would bring in something like a crore or a little more; therefore it would not itself cover any large portion of the deficit. But it is a tax to which there are many objections, and I am not sure that the House would desire me to repeat what has been said almost annually as to the theoretical and practical objections to that tax. But it is obviously not anything more than a partial solution, nor do I think it is a desirable solution. The only point I think in which it differs from nearly all the other suggestions of new taxes that have been made is this, that it is the only one which does not cost the poor man more than the salt tax. Now the Government of India when it came to suggesting the salt tax, and I must speak for myself, the new Finance Member was not unaware of the history of this salt duty—they did not propose it lightly; they did not propose it for the fun of proposing it, as was suggested by somebody. They proposed it because it was the expedient which seemed to them to be the one which would do the least damage to the country and would most easily cover the deficit. Now people have been fairly frank in speaking about it. I do not think anybody, beyond saying that it was a tax on the poor man, has spent very much time in showing its

economic ill effects. A great many people have referred to the fact that it is politically objectionable; it is really the sentiment here rather than a fact that has to be combated. I do not deny that it is, a very difficult position; but, after all, that is the position. It is a tax which would cost,—what is it, 3 annas a year per head? It cannot be claimed by anybody who just repeats that to himself that it is going seriously to upset the position of even the poorest. Three annas per head per year. (*A Voice*: "5½ annas.")

Mr. Jamnadas Dwarkadas: 15 annas for a family.

The Honourable Sir Basil Blackett: That is, less than a rupee per family per annum. I venture to say that the suggestion for an increased customs duty on cotton or an increased excise duty on cotton, both of which have been made and neither of which would in themselves bring in such a large revenue as salt, would cost the poorest man more per head than salt. The last speaker mentioned that 25 per cent. of the customs duties are paid by the poor man. It is not for the fun of suggesting a tax which everybody knew in advance would be a very difficult one that this tax has been suggested, but because Government is honestly convinced that from the economic point of view it is the tax which is the least objectionable—all taxes are objectionable taxes—to India economically, socially and in every respect, and that it is nothing but the atmosphere of sentiment, and I may add the real political difficulty in which Members of this House will find themselves that causes the objection which has been nearly unanimously expressed in this House to the salt tax. I felt bound to make that defence of the salt tax, and I do not think that I have said anything that Honourable Members will take objection to. But we are still faced with the position,—if we don't have the salt tax, what other tax can we have? The Government of India's suggestion was, and is, that we should increase the salt tax. We are prepared, as we have been asked to do by more than one Member of the House, to examine in consultation with the House any other expedient that really is available for getting rid of the deficit, but we did and we do put forward as the least objectionable method of raising taxation to cover the deficit, the proposed increase in the salt tax. One other means of covering the deficit has been put forward and that is that we should somehow or other so alter our accounts that either the deficit disappears or is reduced to small proportions. Mr. Samarth misquoted or at any rate misinterpreted Bastable in trying to prove that the Budget as it stands contains items which should not be charged against the annual revenue; and he went further even than that. He took such items as expenditure on Military Works, the greater part of which represents, I believe, repairs (*Mr. N. M. Samarth*: "No; I did not say that. My amount does not include that.") I apologise then if he did not take that figure; it seemed to me that he did. Now, I do hope that the House will not be led away into by-paths in which deficits will suddenly reappear as surpluses. It is so easy to manipulate accounts. But what is the position at the end of the year supposing you say that this or that building is a capital expenditure, this or that expenditure on irrigation which will not yield any revenue,—most of which indeed involves expenditure in the future years? Once you have got a building, you have got to maintain and repair it. You say it is a capital charge and therefore you are not going to charge it to Revenue. It is not part of the revenue of the year. Supposing 4 crores are spent in that way in the year; at the end of the year your unproductive debt is 4 crores higher, you have got to find interest. You have indeed got an additional asset which may

[Sir Basil Blackett.]

possibly be a costly one. There is the cost of keeping it up. This particular question of military works being charged to Capital formed the subject of a long controversy in England in the Nineties up to about 1906, and so far as England is concerned, it was definitely decided that that should be stopped. In 1906, when Mr. Asquith became the Chancellor of the Exchequer his first action was to insist that this method of pretending that your expenditure was not against Revenue but was against Capital should be stopped. It was simply piling up debt. The other suggestion that Mr. Samarth made—and others made—was that that portion of the annuity in the railways budget which represents sinking fund should not be charged against Revenue. Sinking fund—real sinking fund—can only come out of Revenue. You can call it sinking fund; and you can borrow it. But that simply means you borrow in one form in order to pay off in another form. That is not a sinking fund. That is merely movement of Capital. There are arguments certainly when you are in a tight place for temporarily suspending sinking fund. "Raid on the sinking fund" is a common phrase or it was so before the war in England. But it is only a confession of weakness. And anybody who studies the Indian Budget of the present year will come to the conclusion that so far from there being too much provision for reduction of unproductive debt, one of the problems we have got to face when things are a little better is some increase in the provision we make for preventing our unproductive debt in time of peace growing up against us. I have made no suggestion of that sort this year, and although I made a passing reference to the fact that nearly two crores of our expenditure this year and a certain amount in previous years has been spent for purely unproductive purposes,—although it may be an asset, the building of a large new Capital is certainly going to increase the cost. Expenditure will have to be incurred in keeping it up. I made a reference to the fact that this unproductive expenditure was at present being charged to Capital. I did not suggest that we should cover it in this year. But if we are removing such sinking fund as there is inside our present revenue out of it, we ought at the same time undoubtedly to bring into the charges against Revenue the unproductive charges which are at present charged to Capital, and if we did that the deficit would, I am afraid, be increased and not decreased. We come back, therefore, to the position that there is a deficit of 4½ crores, and, with due respect, the suggestion which holds the field for covering that deficit is an increase in the duty on salt.

The House will probably desire me to deal with one or two of the other subjects which were raised by Honourable Members in the course of the discussion. The most important of which I have a note here are questions of railway policy, the general question of the incidence of taxation and the question of exchange. Now, one of the unsatisfactory features undoubtedly of this year's Budget is that the cut of 3 crores which we have made in the railway budget represents a postponement of necessary renewals and repairs. We made the same mistake,—it is again a question of being wise after the event. Most of us would have made it if we had been in charge of the finances of India at the time. During the war when there were large surpluses—apparent surpluses—on the railways, they were used to avoid increases of taxation, although now looking back we can see that these surpluses represented mainly the fact that owing to the war the railways of this country were not being repaired and renewed to the extent that was necessary, because materials could not be obtained for the purpose. The result was that after the war we had to take on a very heavy programme

of renewals and repairs to make good what had been left undone during the previous years. It is possible, and there are some passages in the report of the Retrenchment Committee which suggest it, that some of the expenditure on renewals and repairs was not so well thought out as might have been; but it is undoubtedly undesirable that we should avoid a deficit or show a surplus simply by postponing charges for repairs and renewals which belong to this year to the next year or the year after next. Still the cut we have made this year will probably be justified but it is obviously not a cut which you can repeat, unfortunately. It would be thoroughly unsound finance that we should be inventing surpluses, simply by not spending money on keeping our railways up to the mark.

Mr. Ginwala made a very interesting speech in which he discussed the whole subject of the incidence of taxation and the same subject has come up incidentally in a great many other speeches. Of course, one of the difficulties here is that we are living under a federal system. There is at present a fairly clear demarcation between what are subjects for provincial taxation and what are subjects for Imperial taxation, taxation by the Central Government. The suggestion, for example, of the death duties, which was made by Mr. Ginwala, is a subject which might very usefully be explored for the purposes of improving the position of the provincial Budgets. But it is not going to help us to cover our Budget. The same difficulty of the Provincial *versus* Imperial claims on the taxable subjects of India arises in connection with the suggestion of raising income tax upon receipts from agricultural lands. It is a matter obviously of great interest. But that suggestion was answered by a gentleman sitting behind me this afternoon who claimed that it would be a breach of faith if the permanent settlement was touched. There is therefore the difficulty both of the permanent settlement question and of the claims of the Provincial Governments standing between us and the possibility of making any use in the budget we now have before us of the suggestions which Mr. Ginwala's very interesting speech would lead us towards.

I now come to the question of exchange. There has been a fairly even division of opinion as between those who partly agreed with me that the time had not yet come for the fixation of the exchange, and those who expressed considerable disappointment. The expectations of one Member were so great and he was so flattering to myself that he expected that, on landing at Bombay, I had only to say "let the exchange be fixed" and it was fixed. But that is not the way things happen unfortunately. We can say that we are going to fix exchange, but unless we do the right thing and have sufficient resources and apply them in the right way, exchange won't remain fixed in spite of our statements. Sir Montagu Webb agreed with my general conclusion that the time had not yet come, but he went on to disagree fairly generally with the rest of what I had said on that subject. I think the point that he made was that the level of prices to-day is such that the exchange, if fixed at the moment, ought to be at $\frac{1}{2}$ instead of $\frac{1}{4}$, and might even have to be lower. That is a reading of the level of prices with which one may not entirely agree. It is a question of very careful study of not very satisfactory data, namely, the index numbers, but my reading of the position was that, comparing the index numbers of wholesale prices here with those in England and America, and making allowance for the fact that you would expect, owing to the large increase in import duties that has been imposed in India between 1913 and the present day, the index number in India to be higher relatively to the English number than if it had not been for those import duties, it seemed to me that, judging by the price

[Sir Basil Blackett.]

levels in the two countries, there were a good many prices here which had not yet accommodated themselves to the fall which has taken place in the exchange value of the rupee all the way from 2s. 8d. to 1s. 4d. or lower. Therefore if you were going to fix exchange at 1s. 4d. now you would probably have to look for a further rise in prices. The subject is a difficult one to discuss on the spur of the moment like this. There is a reference which Sir Montagu Webb made about the fall in prices to pre-war levels that I should like to deal with. Prices in England have not fallen to pre-war level; they are something like 160 to 170 as compared with 100 before the war. Now it is quite uncertain whether prices may not be in for a rise rather than a fall. If America finds the large quantity of gold which she has in her federal reserve system too large to deal with in other ways, she may be driven to build new credit upon that reserve of gold, and no one can foretell, but it is quite a possibility that there may be a considerable rise in American prices. When sterling is at par sterling would almost inevitably have to follow suit. Then India would again be faced with the problem whether she wants to keep prices more or less stable or whether she wants to keep the rupee more or less stable; just the same problem that she had in 1914. And considering the social difficulties which changing levels of prices cause in a country like India it is quite possible that it would be much more to India's advantage to let the external value of the rupee alter rather than to let the internal value of the rupee alter and internal prices go up. All this may sound as if the Government of India was very anxious to manipulate the exchange, but it is not really a question of manipulating the exchange, it is a question of dealing with a problem which in the era of instability which has followed after the war has taxed the ingenuity of every country. In a sense the exchange of every country has to be manipulated in these days; you cannot simply go to a gold level. No one knows what would be the consequences in the world if that were rashly attempted by any country. The value of gold is one among the many commodities the price of which in these days is changing rapidly and you do not get stability of prices by simply being on a gold level. However I have wandered rather deeply already into a subject on which I did not want to spend time, and I will return now to a few words as to the budget for 1923-24.

I ventured to make an appeal to the House when I spoke last week for a long, strong pull together. If we balance our budget this year I believe we have very good hopes for next year, but we cannot take any risks. We have had two good monsoons; we cannot be sure that there will be a third good monsoon, and if there is not a third good monsoon, there is not the least doubt that our estimates of revenue in this year's figures are optimistic. We cannot foresee what would be the position a year hence, but we can be quite sure that it will make an enormous difference to our position whether we succeed this year in balancing our budget, restoring our credit thereby possibly enabling ourselves to borrow at lower rates, or whether we go on with one more year of Micawberism, hoping for the best, hoping that something will turn up. The House agreed right through that that was impossibility and I end on the note that I began, the salt tax remains the only suggestion which really holds the field, and in the opinion of the Government of India the best suggestion for dealing with the situation.

Mr. N. M. Samarth: I have just one word to ask. I understand the Honourable Finance Member to say that I misquoted Bastable.

The Honourable Sir Basil Blackett: I tried to withdraw the word "misquoted." I meant misinterpreted.

Mr. N. M. Samarth: You said "misquoted."

The Honourable Sir Basil Blackett: I think I said "misquoted" and "misinterpreted" but I meant the latter.

Mr. N. M. Samarth: As to misinterpretation, Sir, the Honourable the Finance Member may have his interpretation; I have mine. The passage quoted speaks for itself.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 8th March, 1923.

LEGISLATIVE ASSEMBLY.

Thursday, 8th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

DRAFT NOTIFICATION *RE* EMIGRATION OF UNSKILLED LABOUR TO MAURITIUS.

Mr. J. Hullah (Revenue and Agriculture Secretary): Sir, I lay on the table in pursuance of the provisions of sub-section (2) of section 10 of the Indian Emigration Act, 1922, a draft notification specifying the terms and conditions on which emigration for the purpose of unskilled work shall be lawful to Mauritius.

No.

GOVERNMENT OF INDIA.

DEPARTMENT OF REVENUE AND AGRICULTURE.

EMIGRATION.

Delhi, the March 1923.

NOTIFICATION.

In exercise of the powers conferred by section 10 of the Indian Emigration Act, 1922 (VII of 1922), hereinafter referred to "as the Act", the Governor General in Council is pleased to issue the following Notification in the form in which it has been approved by both Chambers of the Indian Legislature:—

Emigration to Mauritius for the purpose of unskilled work shall be lawful for a period of one year with effect from a date to be notified in the *Gazette of India* by the Governor General in Council after the matters requiring determination under clause 10 of this notification shall first have been determined subject to the following terms, and conditions, namely:—

- (1) The number of adult male labourers which may be recruited within the period shall be limited to 1,500.
- (2) The emigrant shall
 - (a) have been recruited by a person licensed for that purpose by and responsible to an officer (hereinafter called the Emigration Commissioner) appointed by the Government of Mauritius, or
 - (b) have applied direct to the Emigration Commissioner for an assisted passage and have been accepted by him.
- (3) The emigrant shall not, before leaving British India, have entered into any engagement to labour for a period exceeding one month.
- (4) Engagements to labour entered into by an emigrant in Mauritius for a period exceeding one month shall be void.
- (5) The Government of Mauritius shall, at any time when so desired by the Governor General in Council, admit and give all facilities to an Agent appointed under section 7 of the Act.
- (6) No part of the cost of his recruitment, subsistence during transport or transport, shall be recoverable from any emigrant, and all expenses in this connection shall be defrayed from the fund created by the Government of Mauritius under section 45 of the Labour Ordinance, 1922.
- (7) Any emigrant shall, if he desires to return to India at any time after two years from the date of his introduction to the Colony, be repatriated at the cost of the Government of Mauritius to the place of his recruitment.

- (8) Any emigrant shall, at any time within the period of two years from the date of his introduction to the Colony, be entitled to be repatriated at the cost of the Government of Mauritius to the place of his recruitment if he satisfies the Agent appointed under section 7 of the Act that his return to his home is desirable either on the ground of the state of his health or on the ground that the work which he is required to do is unsuitable to his capacity or that he has been unjustly treated by his employer or for any other sufficient reason.
- (9) If any emigrant at any time within the period of two years from the date of his introduction to the Colony satisfies the Agent appointed under section 7 of the Act that he is unable to obtain a wage which will provide the cost of living for a man with a wife and three children and also a reasonable margin for savings, sickness and old age, he shall be entitled to be repatriated at the cost of the Government of Mauritius to the place of his recruitment.
- (10) The Government of Mauritius, in consultation with the Government of India or the Agent appointed under section 7 of the Act, shall from time to time determine the amount of wage which is sufficient to meet the requirements laid down in clause 9 of this notification.
- (11) If at any time there is no Agent appointed under section 7 of the Act the Government of Mauritius shall appoint a person to perform the duties of the Agent as set forth in clause 8.
- (12) The Government of Mauritius shall furnish such periodical reports and returns as may be required from time to time by the Government of India in respect of the welfare of the persons emigrating to the Colony in accordance with this notification.

QUESTIONS AND ANSWERS.

CONVICTION OF PANDIT KIRPA RAM.

482. ***Dr. Nand Lal:** (1) Is the Government of India aware that one Pandit Kirpa Ram was convicted, on 27th July, 1916, by a Special Tribunal, constituted under the defence of the Government of India Act, 1915, at Port Dufferin, Mandalay, under sections 121 and 121A, I. P. C.?

(2) Is Government of India aware that the Commissioners constituting the aforesaid Tribunal mentioned in their judgment that the aforesaid Pandit Kirpa Ram was subsequently seduced to join the party in August, 1915?

(3) Is Government of India aware that no overt act of the positive kind was alleged against him and that according to the very prosecution he was more or less a passive member of the conspiracy?

(4) Is Government of India aware that the wife of the aforesaid convict Pandit Kirpa Ram, submitted a memorial to His Excellency the Viceroy and Governor General of India, through the Chief Secretary, Government of Burma?

(5) Will the Government of India be pleased to state as to whether consideration was given to paragraphs four, five, six and seven of the aforesaid memorial, namely, a petition under section 401 of the Criminal Procedure Code?

(6) Will the Government of India be pleased to state whether the Governor General in Council will graciously, in consideration of the aforesaid petition (memorial) for mercy, remit the whole or any part of punishment to which the aforesaid convict was sentenced?

(7) Will the Government of India be pleased to state—

(a) Where the aforesaid convict is now?

(b) Is he in good condition of his health?

The Honourable Sir Malcolm Hailey: (1) Yes.

(2) What the Commissioners actually said was that he was seduced to join the conspiracy by two other conspirators. But as he was in the Military Police, the Honourable Member will recognise the grave nature of his offence.

(3) No. The evidence shows that Kirpa Ram became an active member of the conspiracy, and the Commissioners described his guilt as particularly heinous.

(4) and (5) A memorial from Kirpa Ram's wife was received by the Government of India through the local Government early in the year 1920, and was rejected.

(6) Kirpa Ram's case has been several times considered. The Government of India are not prepared to reconsider it now.

(7) (a) He is in the Andamans.

(b) I will enquire and inform the Honourable Member of the result.

INDIANS AS MINISTERIAL OFFICERS.

483. ***Khan Bahadur Saiyid Muhammad Ismail:** Will the Government be pleased to state the total number of Indians employed at present as Ministerial Officers in all the Departments directly under the control of the Government of India specifying in particular the total number of Hindus and Muhammadans and also specifying in full the Provinces from which they come?

The Honourable Sir Malcolm Hailey: The Honourable Member is referred to the statement laid on the table on 15th January 1923. Government are not prepared to obtain the further information now asked for as its collection will entail an amount of work out of all proportion to its utility.

The statement laid on the table was very full in itself.

Mr. K. Ahmed: Is there not a classification list showing the names of those who hold these ministerial posts? From the names is it not possible to say to which class of the people of India the holders of these appointments belong, and the province from which they come? Is that expensive to find out, Sir?

Mr. President: That question has already been answered.

The Honourable Sir Malcolm Hailey: I might ask the Honourable Member if he has seen the statement to which I have just referred, namely, the statement laid on the table on the 15th of January 1923. If he will see that statement, he will be able to ask a more fully informed question on the matter.

RELEASE OF POLITICAL PRISONERS IN THE UNITED PROVINCES.

484. ***Khan Bahadur Saiyid Muhammad Ismail:** Was the action of the United Provinces Government in withdrawing the operation of the Criminal Law Amendment Act and in releasing all the political prisoners soon after the departure from the province of His Excellency Sir Harcourt Butler, G.C.I.E., K.C.S.I., in concurrence with the policy of the Government of India or were the Local Government entitled to exercise their own discretion in the matter?

The Honourable Sir Malcolm Hailey: The remission of sentences and the application or withdrawal of the Criminal Law Amendment Act, Part II are matters within the competence of the Local Governments, subject, in any case where this question arises, to the general control of policy vested in the Government of India. The Honourable Member is no doubt aware that the measures taken by the Government of the United Provinces were more restricted in their scope than his question would suggest, and the Government of India have no reason to suppose that they were not justified by the circumstances of the case.

Khan Bahadur Sarfaraz Hussain Khan: May I ask the Honourable Member what is the general practice in regard to the release of political prisoners? In such cases, do the Local Governments take the permission of the Imperial Government, or can they act independently?

The Honourable Sir Malcolm Hailey: As the Honourable Member is perhaps aware, there is no rule of procedure laid down. I said where the question arises, they are subject to the general control of the Government of India, and, whether the question arises or not depends, of course, on the circumstances and importance of the case.

Mr. N. M. Joshi: Were the Government of India consulted in this matter?

The Honourable Sir Malcolm Hailey: In which matter?

Mr. N. M. Joshi: In the matter of the release of political prisoners?

The Honourable Sir Malcolm Hailey: No, Sir.

Mr. K. Ahmed: If the matter is of any importance at all, why does it not apply, Sir, in the case of the other provinces, but only in the case of one province?

Mr. President: If the Honourable Member wants information in regard to the other provinces, he can put a question about them. This question refers solely to the United Provinces.

MAINTENANCE OF BUILDINGS IN DELHI.

485. ***Khan Bahadur Saiyid Muhammad Ismail:** Will the Government be pleased (a) to lay on the table the list of all the buildings declared under the Ancient Monument Preservation Act, within the Province of Delhi and the amount which they spend in the upkeep and maintenance of each of the ancient buildings and the agency by which they are spent?

(b) To specify in particular the amount, if any, paid for the maintenance and the upkeep of the Juma Masjid, Delhi?

The Honourable Mr. A. C. Chatterjee: (a) The preparation of a list of the protected monuments in the Delhi Province has recently been undertaken by the Archaeological Department, and will take time to complete. The amount spent on annual repairs in 1920-21 on these monuments was Rs. 81,052. Details are given in the annual report for that year. The repairs are ordinarily executed by the Public Works Department but some minor works are executed direct by the Archaeological Department.

(b) The Juma Masjid, Delhi, is maintained out of the income from its own endowments and investments and from charitable donations. No subvention is given from public funds, but the local Civil and Public Works officers have given in the past and still give advice and assistance regarding important maintenance works when asked to do so by the Managing Committee.

ART COLLEGES AND SCHOOLS IN DELHI.

486. *Khan Bahadur Saiyid Muhammad Ismail: Will the Government be pleased to state the names of the Art Colleges and Schools, within the Province of Delhi, with the number of students that appeared in the College and matriculation examinations in the year 1922, also to state the grants, if any, made to the Hindu and the St. Stephen's College in Delhi?

The Honourable Mr. A. C. Chatterjee: A tabular statement giving the information required is laid upon the table.

Statement regarding Arts Colleges and High Schools in the Delhi Province.

Arts Colleges, presenting candidates at the Punjab University Examinations in 1922.	INTERMEDIATE.		B. A. & B. Sc.		M. A. & M. Sc.	
	Candidates.	Passed.	Candidates.	Passed.	Candidates.	Passed.
1. St. Stephen's College, Delhi	44	27	59	25	9	8
2. The Hindu College, Delhi	74	49	53	20	...	...
3. The Ramjas College, Delhi	23	19	19	10	...	...

Schools presenting candidates for the Matriculation and School Leaving Certificate Examinations of the University of the Punjab.

	Candidates.	Passed.
<i>A.—Boys' High Schools.</i>		
1. The Government High School, Delhi	74	45
2. The Anglo-Arabic High School, Delhi	104	36
3. The Anglo-Sanskrit High School, Delhi	45	28
4. St. Stephen's High School, Delhi	51	40
5. The D. A. V. High School, Delhi	89	23
6. The Jain High School, Delhi	11	10
7. The Bengali High School, Delhi	4	1
8. The D. B. High School, Mahrauli	14	8
9. The Ramjas High School, No. 1, Delhi	88	50
10. The Ramjas High School, No. 2, Delhi	37	25
<i>B.—Girls' High Schools.</i>		
1. B. M. Girls High School, Delhi	3	2
2. Queen Mary's High School, Delhi	2	2
3. The Indraprastha Girls High School	4	2

2. The following grants were paid in the year 1922 :—

	Rs.
1. St. Stephen's College	37,550
2. The Hindu College	88,476 including Rs. 7,476 on account of furniture and building grant.

DELHI UNIVERSITY.

487. ***Khan Bahadur Saiyid Muhammad Ismail:** Will the Government be pleased to state the amount which they have sanctioned for the upkeep of the maintenance of the Delhi University with the list of the Members of the Court, the Syndicate and the Executive Council; also to state the total number of the Colleges and the Schools affiliated to it?

The Honourable Mr. A. C. Chatterjee: The Government of India have so far made payments totalling Rs. 30,000 to the Delhi University.

There is no provision for a Syndicate in the constitution of the Delhi University. The lists of members of the Court and the Executive Council as constituted to date will be supplied to the Honourable Member.

The Delhi University has three recognised colleges. The constitution of the University does not provide for the affiliation of schools.

Mr. B. S. Kamat: Has the sanctioned amount for the Delhi University been spent during the year?

The Honourable Mr. A. C. Chatterjee: I have said that Rs. 30,000 have already been paid by Government. I have no further information.

BENARES HINDU AND ALIGARH MUSLIM UNIVERSITIES.

488. ***Khan Bahadur Saiyid Muhammad Ismail:** Will the Government be pleased to state the control, if any, the Government of India exercise over the Benares Hindu University and the Aligarh Muslim University?

The Honourable Mr. A. C. Chatterjee: The Honourable Member is referred to the Acts incorporating the universities to which he refers and to the orders made thereunder. A copy of these will be placed in the Library.

SANITARY COMMISSIONER WITH THE GOVERNMENT OF INDIA.

489. ***Khan Bahadur Saiyid Muhammad Ismail:** Will the Government be pleased to state the functions of the Sanitary Commissioner with the Government of India and also as to what authority do they exercise over Provincial Directors of Public Health?

The Honourable Mr. A. C. Chatterjee: The Public Health Commissioner is the Adviser of the Government of India with respect to matters included in items 2, 8, 39 and 41 in Part I, of Schedule I, of the Devolution Rules. He also advises when references are made to the Government of India with regard to items 3, 22, 26 (g), 28 and 45 in Part II of Schedule I, of the Devolution Rules.

2. Provincial Directors of Public Health are subordinate to Local Governments.

DIVISIONAL COMMISSIONER, BIHAR AND ORISSA.

490. ***Khan Bahadur Saiyid Muhammad Ismail:** Will the Government be pleased to state if they have received any recommendation from the Government of Bihar and Orissa regarding abolition of the post of the Divisional Commissioner in that Province?

The Honourable Sir Malcolm Hailey: No.

Mr. K. Ahmed: Have recommendations been received from the Government of Bengal regarding the abolition of the posts of Divisional Commissioners?

The Honourable Sir Malcolm Hailey: I was under the impression that the Government of Bihar and Orissa is now separated from Bengal.

Mr. K. Ahmed: I am asking, Sir, with regard to the abolition of the posts of Divisional Commissioners in Bengal and the abolition of them, if already recommended by the Government of Bengal.

MOSQUES IN VICINITY OF LADY HARDINGE HOSPITAL.

491. ***Haji Wajihuddin:** Is it a fact that (a) at the time of construction of Lady Hardinge Hospital, two old mosques were taken within the boundary wall of the said Hospital, (b) whether one of them is only at a distance of a few yards from the boundary wall on Lady Hardinge Road, (c) whether all the Professor's bungalows have got passages and gates on this road but none has been given for the mosques in question and if so, why? (d) are the muslim public not allowed to enter the said mosque to say prayers, (e) have several representations been made by certain Moslems to the Chief Commissioner, Chief Engineer and the Principal and if so, what fate have they met and what action do the Government propose to take, (f) have the Government any objection to allow repairs of the inner mosque which is badly needed for the use of saying prayers by the Muslim staff of the said Hospital? (g) If the answers are in the affirmative reasons be given?

The Honourable Sir Malcolm Hailey: The facts in connection with this are that one old disused mosque has been surrounded with a wall and lies within the boundary wall of the Lady Hardinge Hospital. The other lies on the edge of the compound, and that part of the mosque which has always been in use as such has not been interfered with in any way. The first named mosque had not been in use for many years before the construction of the hospital and it was arranged that it should be enclosed by a wall and saved from further decay. No representations have been received regarding it, and as it lies within the walls of a purdah hospital for women it is not practicable to allow it to be taken again into use by the general public. The question of permitting its use by the Muslim staff of the Hospital will be referred to the Principal.

Several requisitions have been received regarding the mosque on the edge of the compound, which has remained in use continuously. Applications to repair this mosque have been acceded to.

Mr. K. Ahmed: In view of the fact that several representations and memorials have, as admitted by the Honourable the Home Member, been received since last January in this Assembly and as far as we are concerned, Sir, will the Government be pleased to state, what action they have taken and to lay on the table a statement, in regard to any steps that have been taken since January last explaining how they are going to give effect to these grievances?

The Honourable Sir Malcolm Hailey: Steps taken in regard to what?

Mr. K. Ahmed: In regard to the removal of the grievances about which the people have submitted memorials to the Government?

The Honourable Sir Malcolm Halley: We have shown ourselves very willing to give all the information in our power regarding definite cases brought up to us. If the Honourable Member has any case in which we have not given information, if he will mention it to me, I will do my best to give it to him.

Mr. K. Ahmed: My case was put before the Government since last January in the form of supplementary questions.

Mr. President: Did the Honourable Member's question refer to the Lady Hardinge Medical College?

Mr. K. Ahmed: No, but there are many.

Mr. President: Others are not in order.

Mr. W. M. Hussanally: Sir, in regard to the mosque which is going to be walled round, may I ask if there is any possibility of a way being given to Mussalmans to use it by walling a passage through the compound of the Lady Hardinge Hospital, because a Muhammadan mosque can be used at any time even if it has been disused for some time?

The Honourable Sir Malcolm Halley: I may point out that there is another mosque in close proximity to this mosque which is used by Muhammadans. I would put it to the Honourable Member with regard to his question whether it would not be more suitable if arrangements could be made that this particular mosque, which is inside a purdah hospital, should be used by the Moslem staff of the hospital, as it is not necessary in the general interests of the Muhammadan population, to make it accessible to the outside public in view of the fact that there is another mosque within a few yards distance.

Mr. W. M. Hussanally: Will any steps be taken to see that this mosque is not allowed to go to rack and ruin in course of time and then demolished?

The Honourable Sir Malcolm Halley: I think my answer stated that steps had been taken to prevent further decay in this mosque. I do not think the Honourable Member need have any fear on the subject and, as I say, we are taking steps to see whether it can be made accessible to the Muhammadans resident within the hospital itself.

Mr. K. Ahmed: Do I understand, Sir, that the mosque was used before the building of the hospital and that recently, since the Government have taken it up, it has got into a dilapidated condition?

The Honourable Sir Malcolm Halley: I am correct, the facts regarding the mosque inside the hospital are as follows. It was originally inside a village which occupied the site on which the hospital is now built. It had for many years, I think, been falling into dilapidation and was not used at the time we took it over. It has not suffered in any way by being enclosed within the walls of the hospital. On the contrary, it has been prevented from falling into further decay.

Mr. K. Ahmed: So it has been forfeited on account of the lapse of time. May I ask for how many generations it had not been taken care of by the Muhammadan population, and the justification for the Government forfeiting it for its own use?

The Honourable Sir Malcolm Hailey: It is not correct to say that it has been forfeited for use by the Government.

Mr. K. Ahmed: Anyhow it has been taken.

The Honourable Sir Malcolm Hailey: It was part of a number of buildings which were acquired at the same time under the Land Acquisition Act. The land surrounding the site on which it stands was given by Government to the Lady Hardinge Hospital. The mosque has not in any sense been forfeited.

FEROZESHAHI MOSQUES ON QUTAB ROAD.

492. ***Haji Wajihuddin:** Is it a fact that the big four-domed Ferozeshahi mosques on Qutab Road, are being used from sometime past as an Infectious Diseases Hospital, by the Delhi Municipality also three small mosques as sweeper and menial quarters and if so, by what authority and whether the Government will take early steps to have them vacated?

MOSQUE USED AS DISPENSARY.

493. ***Haji Wajihuddin:** Is it a fact that a mosque on Qutab Road has been encroached upon and is used as a Dispensary and whether the new road under construction has passed through one of the mosques on that road, if so, will the Government be pleased to have the mosque vacated immediately and to give the road a curve and to pass it behind the *deori* of the mosque?

The Honourable Sir Malcolm Hailey: The Honourable Member is referred to the answer already given on the 6th instant to question No. 480 on the same subject put by Mr. Hussanally.

ENCROACHMENT ON MOSQUES.

494. ***Haji Wajihuddin:** Are the Government aware that two mosques have been encroached within the Bungalows Nos. 27 and 9 on Asoka Road (Imperial Delhi), and that no passages were left for them which is causing great discontent throughout the Muslim community at large and whether the Government are prepared to remove the complaint with least delay?

The Honourable Sir Malcolm Hailey: Government are aware that an old praying platform lies partly in the compound of No. 27, Asoka Road, and that a ruin which may have been a mosque lies within the compound of No. 9, Asoka Road. Neither have been used for a number of years and Government sees no reason to deal with these particular remains otherwise than has been done.

ALLEGED DEMOLITION OF MOSQUES.

495. ***Haji Wajihuddin:** Are the Government aware that strong rumours are current among the Muslim public of Delhi that, (a) old mosques, mausoleums and graves near Purana Qila, are being demolished by the Public Works Department contractors and the *chamar* labourers? (b) that sanction to repairs of such old sacred buildings are not granted by the Government? (c) will the Government under the circumstances issue a communiqué giving general sanction to have such buildings repaired on old grounds, if the Muslims undertake to do so, (d) will the Government be pleased to quote the numbers of applications received to have the mosques

of Raja Bazar, Kalali Bagh and Sonehri Bagh, repaired and orders passed on them?

The Honourable Sir Malcolm Hailey: (a) The question presumably refers to the conservation works in progress at Khair-ul-Manazil, and Sher Shah's gate, opposite the south-west entrance to Purana Kila, which are being carried out at Government expense. It is not correct that demolition is being carried out as suggested.

(b) Government itself repairs many of these buildings.

(c) I should like to have more precise information as to the buildings which are held to need repair.

(d) Government have no knowledge of the actual number of applications made to repair the mosques at Raja Bazar, Kalali Bagh and Sonehri Bagh, but permission has been given to execute repairs which have been effected. Government are themselves engaged in making a small garden round Sonehri Bagh.

STOPPAGE OF REPAIRS OF MOSQUES.

496. ***Haji Wajihuddin:** Is it a fact that the Public Works Department stopped ordinary repairs of certain mosques in New Delhi, known as 'Shah Kamal,' 'Chapar Wali,' 'Raja Bazar' and others and if so, the reference to acts and bye-laws under which this was done may be given and whether Government are prepared to issue necessary instructions and declare its policy regarding the protection of such buildings.

The Honourable Sir Malcolm Hailey: The Department has not stopped ordinary repairs on any mosque capable of being used as such. Applications for extensions have been refused, and in at least three cases the applicants have been asked to come and discuss a site for a new mosque, but no answer to the invitation has been received.

The policy of Government has already been fully stated by me in answer to a question put on the 6th February, 1923.

MUSLIM CEMETERY, DELHI.

497. ***Haji Wajihuddin:** (a) Is it a fact that the cemetery allotted to the Muslim community in New Delhi is situated at a distance of 7 miles and do the Government know that it is considered generally an unsuitable site?

(b) Are Government prepared to consider the question of allotting a plot behind Syed Hasan, on Ridge Road, where a large number of graves already exist?

The Honourable Sir Malcolm Hailey: The answer to the first part is in the negative. The new cemetery will be within easy distance of residents in the eastern portion of New Delhi, when that is built. Government have always supposed that Muslims living in the New Delhi area would for the most part, use the burial ground lying to the west of the old city, which is at present used by their co-religionists.

CONSTRUCTION OF WALLS AT SHRINES.

498. ***Haji Wajihuddin:** Is it a fact that a new boundary wall of 'Rikabganj Gurdwara' has been constructed and repairs of 'Kadam Sharif' wall was done at the expense of the Government and if so, do the Government propose to make similar treatment in the case of Dargah of Syed Hasan Rasul, Numa on Panch Kuian Road?

The Honourable Sir Malcolm Hailey: A new boundary wall is under construction round the Rukab Ganj Gurdwara, partly at the expense of Government and partly at the expense of the Sikh community. Repairs at "Kadam Sharif" have also been executed by the Archæological Department. Government proposes to repair suitably the walls round the Dargah alluded to in the last part of the question.

DISCUSSION OF RESOLUTIONS.

499. ***Sardar Gulab Singh:** 1. How many non-official Resolutions have been admitted by the Honourable the President, during the past three Sessions?

2. How many such Resolutions have come up for discussion during each Session before this House and how many have been left over for want of time or otherwise?

3. Will the Government be pleased to take steps to give more days for non-official business than has hitherto been done?

4. Is the Government aware that fixing of days for non-official business so much sparingly is the only cause for so great a number of Resolutions not being discussed in this House each Session?

Mr. E. Burdon: The attention of the Honourable Member is invited to Sir Henry Moncrieff Smith's answers to Mr. B. N. Misra's questions Nos. 33 and 34, printed on pages 978-980, of the Legislative Assembly Debates, of the 15th January, 1923 (Vol. III, No. 16).

Mr. K. Ahmed: Will the Government be pleased to state how many Resolutions were not admitted by the President as well as by His Excellency the Viceroy?

Mr. President: That does not arise.

CONTINGENT EXPENDITURE.

500. ***Babu J. N. Mukherjee:** 1. Will Government be pleased to state the total contingent expenditure incurred by the various departments and offices of the Central Government during the last five years, taking each year separately?

2. Has the attention of Government been drawn to the action taken by the Government of Bengal with a view to a detailed examination of the contingent expenditure by that Government with the help of an experienced accounts officer?

3. Will Government be pleased to state if they are prepared to undertake a similar examination of the contingent expenditure of the Central Government?

The Honourable Sir Basil Blackett: (1) Details of expenditure on Contingencies are given in the demand statements placed before this House.

(2) and (3) Government do not consider such action necessary as this item of expenditure has like all other expenditure been fully investigated by the Retrenchment Committee.

REGISTERED ARTICLES, ETC., DEALT WITH BY POST OFFICE.

501. ***Mr. K. C. Neogy**: Will Government be pleased to state—

(a) the number of (i) registered articles of the letter mail, (ii) parcel mail articles, (iii) money orders, and (iv) insured articles, that were dealt with by the Post Office in India in the month of January, 1923; and

(b) the number of unregistered articles of the letter mail so dealt with, as ascertained by the enumeration taken in February, 1923?

Mr. H. A. Sams: (a) and (b) It is regretted that the information asked for is not available at present.

POSTAL DELIVERIES.

502. ***Mr. K. C. Neogy**: (a) Is there any proposal under consideration for curtailing the number of postal deliveries with a view to reduction of postmen staff?

(b) If so, will Government be pleased to state to what extent the deliveries are proposed to be curtailed in the different places, and the percentage of reduction of postmen staff likely to result therefrom?

Mr. H. A. Sams: (a) Yes.

(b) The extent of the proposed curtailment in different places cannot be stated at present, but the general reduction contemplated is one of 3 per cent. of the whole staff of postmen and village postmen, involving 900 men.

CHARGING OF INTEREST ON TELEGRAPH EXPENDITURE.

503. ***Mr. K. C. Neogy**: (a) On what basis was the interest of 60 lakhs charged in 1921-22, against the telegraph revenue for capital expenditure?

(b) Is it a fact that a very large portion of the capital expenditure of the Telegraph Department, prior to 1921-22, was provided out of revenue? If so, what was the aggregate amount thus provided, and what is the justification for charging interest on the said amount?

The Honourable Sir Basil Blackett: (a) The Honourable Member is presumably referring to the revised estimate for 1921-22.

Pending the determination of the actual capital outlay of the postal and telegraph departments in the past after examination of the recommendations of the chartered accountants with regard to the allocation of expenditure between capital and revenue, it was decided, for the purpose of the revised estimates for 1921-22, and subsequent estimates, to treat the total cost of telegraph lines, telegraph buildings and telegraph apparatus and plant as representing capital outlay. The estimate of 60 lakhs in question was made up of 40½ lakhs, being interest at 8.3252 per cent. per annum on the capital expenditure on these objects incurred up to the end of 1916-17, the balance being interest at 5.1979 per cent. on capital outlay from 1917-18 to 1921-22. The rates of interest are the average rates paid on loans raised in the open market during the periods mentioned.

(b) Prior to 1921-22, capital outlay of the nature referred to above was charged to the revenue account of the Department though a *pro forma* account of such outlay was separately maintained.

The aggregate amount of such capital outlay met out of revenue to the end of 1920-21 was 14.42 lakhs.

The practice of charging interest on the total capital outlay on the Telegraph Department up to date irrespective of the source from which the outlay has been met follows that obtaining in the case of other commercial departments, *viz.*, railways and irrigation works, and is necessary if the tax-payer is to be secured against loss on the running of such commercial undertakings.

I may add that the Government are endeavouring to put the accounts of these Commercial Departments on a proper commercial basis at the earliest possible moment.

QUARTERS FOR POSTAL STAFF.

504. ***Mr. K. C. Neogy:** (a) With reference to the statement made by Mr. G. R. Clarke, in this House on the 22nd March, 1922 (at page 3576 of the Assembly Debates), about the necessity for providing the staff of the Post Office's with suitable quarters, and the "big building programme" in connection therewith, will Government be pleased to indicate the details of the programme showing particularly how far the Postal staff in the interior will be benefited thereby?

(b) When is the said programme proposed to be undertaken?

Mr. H. A. Sams: (a) The proposal referred to by the Honourable Member is under the consideration of Government and no details can be given at present.

(b) In view of the existing financial stringency, it is not possible to say when the programme will be undertaken.

POST OFFICES IN CALCUTTA.

505. ***Rai Bahadur G. C. Nag:** 1. Are the Government aware (i) that there is a proposal of Government to amalgamate the Simla and Beadon Street Post Offices in the city of Calcutta, and remove the combined office to a building on the Central Avenue Road, and (ii) that this proposal has evoked strong adverse comments in the public Press of the city?

2. Do the Government anticipate any large savings out of the proposed amalgamation, if so, what will be the possible savings, and under what heads the savings will be effected?

3. Is it a fact that the rents paid for the buildings in which the Simla and Beadon Street offices are located together cost Government Rs. 375 only per mensem, while the rent of the building to which the proposed combined office is to be removed will be about Rs. 1,800?

4. If the facts are as stated, do the Government propose to reconsider the proposal of amalgamation and abandon it in interest both of public convenience and economy?

Colonel Sir Sydney Crookshank: 1. (i) Yes.

(ii) Yes, the proposal appears to have been criticised in one or two local papers.

2. It is anticipated that some savings will be effected by the proposed amalgamation, but it is not possible to state at present what the amount will be nor the particular heads under which the savings will be effected.

3. The rent at present paid for the two post offices is Rs. 375 a month. The Simla post office building was, however, considered insanitary and unsuitable, and the matter had also been taken up by the local papers. The District Health Officer and the Corporation of Calcutta were then approached but nothing could be done to improve matters. As for the Beadon Square post office building, apart from its unsuitability for use as such, the landlord was determined to eject the post office. Endeavours were made to secure two separate buildings for the two offices, but nothing suitable could be secured even on a total monthly rental of Rs. 1,000. The rent of the proposed building is Rs. 1,500 and not Rs. 1,800.

4. The new building is under construction and the proposal could not be abandoned even if this course were desirable, which is not the case.

Mr. K. Ahmed: Have the Government realised the question of economy and the difference of amount that it costs to Government?

Mr. H. A. Sams: Sir, I am not aware whether the Government have realised it or not.

THE PRISONERS (AMENDMENT) BILL.

The Honourable Sir Malcolm Hailey (Home Member). Sir, I beg to move:

"That the Bill to amend section 29 of the Prisoners Act, 1900, as passed by the Council of State, be taken into consideration."

This is a Bill that is required merely to amend a deficiency in the existing law. Section 29 of the Prisoners Act empowers the Governor General in Council to move any prisoner confined in any prison to any other prison in British India, and sub-section (2) of the same section confers the same powers on the local Government to make transfers within their own jurisdiction. There has been inconvenience experienced in the jails in Berar, which are under the administrative control of the Government of the Central Provinces, because they do not come strictly within the terms of section 29. The situation now is that some of the jails in Berar are partially unoccupied, whereas many of the jails in the Central Provinces proper are unduly congested. We therefore propose to give powers under this amendment to the Government of the Central Provinces to move prisoners freely as between Berar and the Central Provinces, and also to give to the Governor General the same power of moving prisoners to Berar as he would to other provinces in India. As the matter is a formal one I do not delay the House with any further reference to the details of the Bill.

The motion was adopted.

Clauses 1 and 2 were added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir Malcolm Hailey: I beg to move, Sir, that the Bill as passed by the Council of State be passed.

The motion was adopted.

ELECTION OF MEMBERS TO PUBLIC ACCOUNTS COMMITTEE.

The Honourable Sir Basil Blackett (Finance Member): Sir, I beg to move:

"That this Assembly do proceed to elect 8 Members to be Members of the Committee on Public Accounts."

The motion was adopted.

Mr. President: For the purpose of this election, the office will be open to receive nominations for membership to the Public Accounts Committee up to 4 O'clock in the afternoon of the 12th March 1923, and the procedure for this election will be that laid down by the Chair in the year 1921.

DEMANDS FOR SUPPLEMENTARY GRANTS.

The Honourable Sir Basil Blackett (Finance Member): Sir, I beg to move:

"That for the amounts against each head of demand shown in column 3 of the Statement entitled 'Statement comparing the expenditure included in each grant for the current year as modified by the Assembly in September 1922 with that indicated in the revised estimates, 1922-23', be substituted, the amounts shown in column 6 of the same Statement, the savings indicated in column 9 being transferred to the extent necessary to meet excess expenditure shown in the same column."

This is to a large extent a formal motion, and I think the Note which is printed on the outside of the Statement to which I have referred gives sufficient information on the purpose of the motion. The net result is, as explained in my Budget speech last week, a certain saving on expenditure for the whole year.

Mr. T. V. Seshagiri Ayyar (Madras Nominated Non-Official): What is the total due to loss in Exchange?

Mr. A. V. V. Aiyar (Finance Department: Nominated Official): The total adjustment for exchange is Rs. 15,62,00,000.

Mr. T. V. Seshagiri Ayyar: Is that the saving?

Mr. A. V. V. Aiyar: That is the total debit for Exchange.

Mr. T. V. Seshagiri Ayyar: Has there been any saving as compared with last year?

Mr. A. V. V. Aiyar: There has been a saving.

Mr. T. V. Seshagiri Ayyar: Can you give us the figure?

Mr. A. V. V. Aiyar: I think roughly it is something like half a crore.

Mr. T. V. Seshagiri Ayyar: Is it in consequence of the sale of Council Bills?

Mr. A. V. V. Aiyar: It is in consequence of the expenditure in England being less than what we anticipated. The actual expenditure in England has fallen short of the amount which was anticipated in the Budget, and therefore there is a saving in the debit for exchange.

Mr. T. V. Seshagiri Ayyar: Has there been no saving in consequence of the sale of Council Bills?

Mr. A. V. V. Aiyar: The average rate has been slightly lower than 1s. 4d.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): There is an entry on page 13 "Credit for transfer of the Eastern Hostel, Raisina, to the Telegraph Department". May I know what it means?

Mr. H. A. Sams (Director General, Posts and Telegraphs): The idea was that when the Telegraph Department took over the Eastern Hostel, it transferred as much of the expenditure as possible to the charges for this year. I understood from the Secretary, Public Works Department, that lapses this year will be utilised to that extent for the purchase of the Eastern Hostel.

Rao Bahadur T. Rangachariar: Does it mean that the Eastern Hostel is going to be abandoned as residential quarters?

Mr. H. A. Sams: That, I understand, is the case, because we have already taken it or about to take it to use as the Telegraph Office for New Delhi.

Mr. President: The question is that that motion be adopted.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Friday, the 9th March, 1923.

LEGISLATIVE ASSEMBLY.

Friday, 9th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock
Mr. President was in the Chair.

MEMBER SWORN:

Mr. Albert Frederick Lucas Brayne, M.L.A. (Finance Department:
Nominated Official).

QUESTIONS AND ANSWERS.

PILGRIMAGE TO HEJAZ AND ERAK.

506. ***Khan Bahadur Salyid Muhammad Ismail:** (a) Will the Government be pleased to give the total number of pilgrims who went to Hejaz and to Erak, respectively during the years 1921 and 1922 and also to state how many out of them have been stranded for want of sufficient money on their return journey?

(b) Do Government contemplate directing the High Commissioner at Basrah and the Consul at Jedda to afford every facility to every intending Indian pilgrim to the shrines in Mesopotamia and Arabia and to afford them every opportunity of returning back to their respective residences in case they are stranded on account of any unforeseen circumstances?

The Honourable Mr. A. C. Chatterjee: (a) As regards the Hedjaz reference is invited to the reply given to Haji Wajihuddin's question on the same subject on the 5th instant. As regards Iraq information is being obtained and will be communicated to the Honourable Member in due course.

(b) The High Commissioner in Iraq and the British Consul at Jeddah do everything they can to help Indian pilgrims.

Mr. K. Ahmed: Will the Government of India be pleased to give the total number of pilgrims who went to Hejaz or to Iraq and who died, settled down, disappeared or otherwise whose whereabouts are not known at all?

The Honourable Mr. A. C. Chatterjee: I think the Honourable Member will realise that it is impossible for me to give information about people whose whereabouts are not known at all.

Mr. K. Ahmed: Can you give us at least the number of those who have come back to India?

LADY HARDINGE MEDICAL COLLEGE.

507. ***Mr. T. V. Seshagiri Ayyar**: 1. Will the Government be pleased to state:

- (a) whether it is true that the Lady Hardinge Medical College was founded in 1916 on the initiative of Her Excellency Lady Hardinge with the active co-operation of the Director-General, Indian Medical Service, Sir Pardey Lukis,
- (b) and whether with the exception of two members of the Women's Medical Service for India, all the other members of the Governing Body are officials of the Government of India?

2. Will the Government be pleased to state whether it is a fact that the Patron is the Vicereine for the time being and the President of the Governing Body, the Honorary Secretaries and the Honorary Treasurer are all officials either belonging to the Household of His Excellency the Viceroy or are holding responsible positions in the Secretariat?

The Honourable Mr. A. C. Chatterjee: (a) Yes.

(b) With the exception of two ladies the other members of the Governing Body at present happen to be Government officials.

2. The reply is in the affirmative as regards the Patron and the Honorary Secretaries. The President is the Director General, Indian Medical Service, and the Honorary Treasurer the Deputy Accountant General, Central Revenues.

Mr. K. Ahmed: I suppose these are all credits due to the Government officials who, without any help of the Delhi public and in spite of want of local patronage and the patriotic sympathy like that of the questioner's Indian public of Delhi, and others, had to undertake such a huge duty and discharge them to their credit for which India ought to be thankful?

LADY HARDINGE MEDICAL COLLEGE AND HOSPITAL BUILDINGS.

508. ***Mr. T. V. Seshagiri Ayyar**: Will the Government be pleased to state:

- (a) What sum have the College authorities allotted, in the current year, for the repair of the buildings attached to the Lady Hardinge Medical College and Hospital?
- (b) Is it true that these buildings constructed by public subscriptions are in a state of disrepair?
- (c) How much do the Government of India contribute annually for the maintenance of buildings erected at their own cost?

The Honourable Mr. A. C. Chatterjee: (a) Rs. 12,568.

(b) No.

(c) No college buildings have been erected at the cost of the Government of India. The Government of India make an annual recurring grant of Rs. 2,00,000 towards the maintenance of the Institution in addition to contributions (amounting in 1921-22 to Rs. 51,675) made through the Countess of Dufferin Fund.

Rao Bahadur T. Rangachariar: May I know when these two lakhs were fixed?

The Honourable Mr. A. C. Chatterjee: I think the two lakhs have been given since 1920-21. I was coming to that in answer to a subsequent question.

(GRANT TO LADY HARDINGE MEDICAL COLLEGE.

509. **Mr. T. V. Seshagiri Ayyar:** Will the Government be pleased to state:

- (a) Whether Government proposes to consider the necessity of giving a grant to the Lady Hardinge Medical College in order that it may not depend upon voluntary contributions?
- (b) In what stage does the proposal to affiliate the College with the Punjab University stand?

The Honourable Mr. A. C. Chatterjee: (a) The Government of India already contribute Rs. 2,00,000 out of a total budgeted income of Rs. 2,91,600. Also as stated in answer to the previous question they provide staff through the Countess of Dufferin Fund at an expenditure (in 1921-22), of Rs. 51,675.

(b) The college is affiliated to the Punjab University for the F. Sc. examination and for the M.B., B.S. degree.

Dr. H. S. Gour: May I ask, Sir, what is the number of students in the Medical College and what is the incidence of cost per student?

The Honourable Mr. A. C. Chatterjee: I should like notice of that question.

Mr. T. V. Seshagiri Ayyar: In regard to the first part of the question, as regards the grant made, will the Honourable Member state whether the grant is found sufficient for the maintenance of the institution and whether there has been any complaint that the grant is not sufficient for its maintenance.

The Honourable Mr. A. C. Chatterjee: I think it will be more convenient to answer that supplementary question when we come to 512.

Mr. W. M. Hussanally: Why can't the College be affiliated to the Delhi University now?

The Honourable Mr. A. C. Chatterjee: I don't think the Delhi University has got a Medical Faculty at present.

Dr. H. S. Gour: Hasn't the Delhi University got an Intermediate Science Faculty? Is the Honourable Member unaware of the fact that a proposal was made to affiliate the Science class to the Science Faculty of the Delhi University and that the offer was refused, entailing an additional cost for the maintenance of a separate establishment in the Medical College?

The Honourable Mr. A. C. Chatterjee: Who made the offer?

Dr. H. S. Gour: The Delhi University.

The Honourable Mr. A. C. Chatterjee: I think the Honourable Member's question should be addressed to the authorities of the College, Sir, and not to Government.

Dr. H. S. Gour: Well, the authorities of the College are empowered to manage the College and the Government has to pay the money for it.

The Honourable Sir Malcolm Hailey: Not necessarily.

SCIENCE DEPARTMENT, LADY HARDINGE MEDICAL COLLEGE.

510. ***Mr. T. V. Seshagiri Ayyar:** Will the Government be pleased to state:

- (a) Whether it is a fact that the Government of India informed the Lady Hardinge Medical College authorities that they were unable to provide funds for starting in Delhi an intermediate science College for women?
- (b) Have the Government refused to give sufficient funds to the College authorities to maintain even an efficient preparatory science department for women?
- (c) Would Government be pleased to reconsider their decision on both these points?

The Honourable Mr. A. C. Chatterjee: (a) Yes, in view of the replies from local Governments and the financial stringency.

(b) The annual contributions made by the Government of India have been stated in the reply to a previous question.

(c) In view of the existing financial conditions the Government of India are unable to give further financial assistance.

Sir Deva Prasad Sarvadhiary: Does the Government consider that the College fulfils an all-India want?

The Honourable Mr. A. C. Chatterjee: Yes, so far as women are concerned.

Dr. H. S. Gour: Can the Honourable Member state as to how many women students from the whole of India attend the College?

The Honourable Mr. A. C. Chatterjee: I have already said, Sir, that I should like notice of that question.

MAINTENANCE GRANT TO LADY HARDINGE MEDICAL COLLEGE.

511. ***Mr. T. V. Seshagiri Ayyar:** Will the Government be pleased to state:

- (a) Whether it is a fact that the Government promised in 1915 to give a maintenance grant, rising by degrees to a maximum of two lakhs per annum to the Lady Hardinge Medical College?
- (b) Has that promise been kept?

The Honourable Mr. A. C. Chatterjee: (a) and (b) The Government of India have raised their annual recurring grant for the maintenance of the college from Rs. 1,00,000 in 1916-17 to Rs. 2,00,000 since 1920-21, and have given the further help, already stated, through the Countess of Dufferin Fund.

Mr. T. V. Seshagiri Ayyar: Might I put a supplementary question, Sir, of which I gave notice a few minutes ago, as to whether the college authorities consider that the contribution made by the Government would be sufficient to maintain the College in an efficient manner?

The Honourable Mr. A. C. Chatterjee: Would the Honourable Member ask the question after 512?

CURTAILMENT OF EXPENDITURE IN LADY HARDINGE MEDICAL COLLEGE.

512. ***Mr. T. V. Seshagiri Ayyar:** Will the Government be pleased to state:

(a) Whether any attempt has been made by the Lady Hardinge Medical College authorities—

(i) to cut down expenses,

(ii) to increase the income of the College from internal sources, and

(iii) to secure grants from provincial Governments and Indian States?

(b) Is it true that there has been a deficit in the finances of the College during the last year and that a further deficit is expected during the current year?

The Honourable Mr. A. C. Chatterjee: (a) and (b) The Government of India are informed that the reply is in the affirmative.

Mr. T. V. Seshagiri Ayyar: I put the question now, Sir. I do not think it is necessary to repeat it again.

The Honourable Mr. A. C. Chatterjee: I think it is quite clear from the reply I have given that there is a deficit.

Dr. H. S. Gour: Will the Honourable Member inquire whether the incidence of cost in this College is out of all proportion to the number of students trained in the College and out of all proportion to the number of students trained in the other Medical Colleges of India where women are admitted?

Rao Bahadur T. Rangachariar: May I ask my Honourable friend Dr. Gour if there is not a great deal of difference between women's colleges and men's colleges?

The Honourable Mr. A. C. Chatterjee: I do not think, Sir, that the Government of India are called upon to make any special inquiries of the nature referred to by the Honourable Dr. Gour.

Dr. H. S. Gour: What guides the Government in making grants to Medical Colleges?

The Honourable Mr. A. C. Chatterjee: I do not think the Government of India make any grants to any Medical College except this College.

Dr. H. S. Gour: Yes, but what guided the Government in making the grant to the Lady Hardinge Medical College?

The Honourable Mr. A. C. Chatterjee: The requirements of the College, Sir.

Dr. H. S. Gour: Irrespective of its efficiency?

The Honourable Mr. A. C. Chatterjee: The College is supposed to be efficient and the Government consider that it is efficient.

Dr. H. S. Gour: If the students were reduced to half their number would that be regarded as a sufficient test of efficiency?

The Honourable Mr. A. C. Chatterjee: I do not think I am required to answer a hypothetical question of that nature.

Mr. J. Chaudhuri: Is it not a fact that the Government of India and the Local Governments spend much more money in this country for the education of males than for the education of females?

Mr. President: I do not think that question arises.

Rao Bahadur T. Rangachariar: As regards the efficiency of the College is the Honourable Member aware that it has got a great reputation not only in India but also with the people from abroad who have visited the College?

The Honourable Mr. A. C. Chatterjee: I believe that is the case, Sir.

Mr. T. V. Seshagiri Ayyar: May I ask a question, Sir. Is it not a fact that although there is an efficient medical institution in Madras, it does not attract more than 2 per cent. of the female students, whereas this College has attracted as many as 14 women from Madras for its students.

Mr. President: The Honourable Member is giving information.

Dr. H. S. Gour: Does the Honourable Member regard the visitors' opinions as the true test of efficiency?

The Honourable Mr. A. C. Chatterjee: I do not know to whom the Honourable Member refers as the visitors.

Rao Bahadur T. Rangachariar: May I ask whether the Honourable Member is aware that Dr. Gour is the Vice-Chancellor of the University of Delhi which probably made the offer to the Lady Harding Medical College and which offer was not accepted?

The Honourable Mr. A. C. Chatterjee: I have said, Sir, that I am not aware of the circumstances regarding the offer which was mentioned by the Honourable Member from Nagpur.

Sir Deva Prasad Sarvadhikary: Is it not a fact that the costs of the College are to a certain extent increased by reason of the absence of an independent capable medical profession in Delhi and the absence of a medical atmosphere?

Mr. K. Ahmed: That is a matter of opinion, Sir.

The Honourable Mr. A. C. Chatterjee: I do not think this question arises, Sir.

SELECT AND OTHER COMMITTEES.

513. ***Rai Bahadur Lachmi Prasad Sinha:** Will the Government be pleased to state:

- (a) The number of Select Committees on bills or other Committees summoned during the period intervening between the 7th of October, 1922, to the 6th of January, 1923?

- (b) The number of days each of such Committees held their meetings to finish the deliberations on matters for which they were summoned?
- (c) The amount spent on each of such Committees in the shape of payment of halting and travelling allowances for members?
- (d) The number of days with dates on which each of such Committees met for the purpose for which they were summoned?

Mr. E. Burdon: The information is being collected and will be laid on the table when complete.

APPRAISERS AND EXAMINERS, KARACHI CUSTOMS HOUSE.

514. ***Mr. Harchandrai Vishindas:** (a) Will Government be pleased to state if it is a fact that the Government of India had authorized the Bombay Government to give promotion of 50 per cent. maximum to the Appraisers and Examiners of the Karachi Customs House?

(b) Will Government be pleased to state what percentage of promotion has been actually given to Examiners and Appraisers of the Karachi Customs House?

Mr. A. H. Ley: I have been asked by the Honourable Member for Commerce to answer these questions, Sir.

I would refer the Honourable Member to the reply given to the question by Mr. S. C. Shahani, No. 158, dated the 7th September 1922.

FOOD-STUFFS AND PAY OF CUSTOMS DEPARTMENT.

515. ***Mr. Harchandrai Vishindas:** (a) Will Government be pleased to state by what percentage the prices of necessities of life especially food-stuffs have risen in Karachi and Bombay respectively since the war?

(b) Will Government be pleased to state if it is a fact that Appraisers and Examiners in Bombay get more pay than their compeers in Karachi?

(c) If the reply is in the affirmative will Government be pleased to state the reason why there is difference of pay between the officers of the same grade in the two parts?

(d) Is there any difference of pay between the Assistant Collectors and Collectors at the two ports?

Mr. A. H. Ley: (a) The rise in the retail prices of food-stuffs at Bombay and Karachi, during the month of December, 1922, is estimated in the Bombay Labour Gazette issued in January last to amount to 77 and 56 per cent. respectively over those prevailing in July, 1914.

(b) Yes;

(c) The difference is explained partly by the greater expensiveness of living at Bombay and partly by the fact that the pay of the staff at each port is fixed independently with reference to local conditions of service which are not the same at all the ports;

(d) The Assistant Collectors stationed at Bombay are entitled to a local allowance of Rs. 75 a month.

ASSESSMENT WORKS ON PARCELS FROM ENGLAND.

516. ***Mr. Harchandrai Vishindas:** (a) Will Government be pleased to state if they have received any representation from the Chief Collector of Customs, Karachi, regarding increase in assessment work of parcels received from the United Kingdom?

(b) If so, what action have the Government taken on the matter?

Mr. A. H. Ley: (a) The reply is in the negative.

(b) Does not arise.

BOMBAY INCOME-TAX OFFICERS.

517. ***Mr. Harchandrai Vishindas:** Will Government be pleased to state what was the pay of (1) Income-tax Officers, (2) Inspectors, (3) Examiners, (4) clerks of the Bombay Income-tax offices, before their pay was revised?

The Honourable Sir Basil Blackett: A statement giving the information asked for is laid upon the table.

Statement showing the pay of Income-tax Officers, Inspectors, Examiners and clerks of the Bombay Income-tax Office before re-organisation.

	Designation.	Pay.
Bombay City	1st Income-tax officer	1,500—2,000
	2nd Income-tax officer	1,000—1,500
	Other Income-tax officers	Varying pay according to grade in Provincial Service cadre.
	Inspectors	16 on 150—225 4 on 250—350
	Examiners	2 on 375—475 2 on 250—350 6 on 150—225
	Clerks, 1st Grade	80—100
	2nd Grade	60—75
	3rd Grade	40—55
	Examiners' Clerks	80—100

PAY OF INCOME-TAX OFFICERS.

518. ***Mr. Harchandrai Vishindas:** (a) Is it a fact that the pay of the Income-tax Officers, Inspectors and Examiners in Bombay city has been fixed at Rs. 300—50/2—900, 200—25/2—500, 225—25/2—500?

(b) Is it a fact that the pay of the Income-tax Officers, Inspectors and Examiners in Sind, has been proposed as under in the new organization—

300—50/2—900, 150—25/2—350, 175—25/2—350 against 390 to 1,000, 150 to 250, 150 to 250 of their present salary?

If not, what are the facts?

(c) Will Government be pleased to state why the pay of Examiners and Inspectors in Sind has been fixed at such a low figure as compared to

Bombay while no difference in pay has been made between the Income-tax Officers in Bombay and in Sind?

The Honourable Sir Basil Blackett: (a) Yes.

(b) A statement giving the actual figures is laid upon the table.

(c) The work of Income-tax Officers throughout the Presidency is identical. A higher pay has been fixed for the Inspectors and Examiners in Bombay City than in the rest of the Bombay Presidency owing to the more intricate and responsible nature of their duty. The pay fixed both for Inspectors and Examiners in Sind is higher than that fixed for Inspectors and Examiners in the rest of the Bombay Presidency excluding Bombay City. Examiners in Sind receive a pay of 175—325, while the other Examiners receive only 150—225. Inspectors in Sind receive 150—325; Inspectors in other areas outside Bombay City, 150—225.

Statement showing the previous pay and the proposed pay of the income-tax officers, Inspectors and Examiners in Sind.

Designation.	Previous pay.	Proposed pay.
	Rs.	Rs.
Income-tax officers	1 on 1,000—50—1,250 2 on 500—50—750 1 on 300—30—450	Sanctioned temporarily for three years only.
Inspectors	1 on 175—10-2—225 2 on 150—10-2—200 1 on 150 1 on 125	
Examiners	1 on 150 1 on 125 1 on 175—225 3 on 200	
		360—50-2—900 150—25-2—325 175—25-2—325

HOUSE RENT OF OFFICIALS IN KARACHI.

519. ***Mr. Harchandrai Vishindas:** (a) Will Government be pleased to state what house rent allowance officers of the same grade as Inspectors and Examiners get at Karachi?

(b) What house rent do Government propose to give to Examiners and Inspectors at Karachi, and what house rent is given to men in the Telegraph and Railway Departments at Karachi?

The Honourable Sir Basil Blackett: (a) If the Honourable Member refers to allowances granted to officers serving under the Provincial Government, I suggest that he obtain the information from the Provincial Government.

(b) It is proposed to give a local allowance of Rs. 30 per mensem to Inspectors and Examiners posted to Karachi, in the Income-tax Department. As regards the employees of the Telegraph and Railway Departments, I refer the Honourable Member to the statement laid upon the table in the proceedings of the Legislative Assembly for the 25th September, 1922, in reply to question No. 167, asked on the 7th September, 1922.

MUHAMMADANS ON SERVICES COMMISSION.

520. ***Mir Asad Ali Khan Bahadur:** (a) Is there any Muhammadan Member in the Royal Commission on Services to safeguard the interests of the Muhammadans?

(b) If not, do the Government propose adding a Muslim Member or two to the Commission?

The Honourable Sir Malcolm Hailey: (a) The personnel of the Royal Commission has not yet been settled.

(b) The Members of a Royal Commission are appointed by His Majesty the King-Emperor and not by the Government of India.

Munshi Iswar Saran: Will Government suggest the appointment of a Kayastha member to represent the interests of the Kayastha community?

Dr. H. S. Gour: Will Government appoint a member of the Kshatriya community?

Mr. S. C. Shahani: Will Government appoint a Sikh?

Khan Bahadur Abdur Rahim Khan: Will there be an objection to a Muhammadan being appointed?

Mr. K. Ahmed: Will that be confined to the class of pious Brahmins or to the class of people of his way of thinking?

Mr. President: It has been said already that the appointments do not lie with the Government of India.

Mr. Jamnadas Dwarkadas: Will Government take note of the fact that in spite of the demands made by the various communities to have representation on the Royal Commission the opinion of this Assembly does remain confirmed that there is no need for a Royal Commission.

EXPRESS MADRAS TO DELHI.

521. ***Mir Asad Ali Khan Bahadur:** (a) Is it a fact that Railway authorities are thinking of running a through express from Madras to Delhi, as was the case before the war?

(b) If not, will the Government influence the Railway authorities to start a through express from Madras to Delhi, *via* Wadi, Dhond and Manmad?

Mr. C. D. M. Hindley: (a) Government have no information.

(b) It is very doubtful whether the number of passengers travelling would warrant the running of such a train but the matter will be brought to the notice of the Railways concerned.

RETURN TICKETS.

522. ***Mir Asad Ali Khan Bahadur:** (a) Will the system of return tickets in railways be re-introduced in near future?

(b) If not, do the Government propose introducing the system to facilitate saving and convenience?

Mr. C. D. M. Hindley: (a) and (b). As promised in the reply to the supplementary question asked by Sir Deva Prasad Sarvadhikary in connection with question No. 145, dated the 17th January, 1923, Government have brought the matter to the notice of railways in order that they may consider whether now or at some later date they may be in a position to restore these concessions.

LALA GULZARI LALL.

523. ***Mr. Pyari Lal:** 1. With reference to the Government reply to my question, contained in the letter of the Army Secretary, No. 331-S., dated 20th February, 1923, will the Government be pleased to state if the period for which Lala Gulzari Lall was appointed as a member of the Committee was specified in his letter of appointment?

2. If so, what was the period?

3. Will the Government be pleased to state what is the ordinary term of a non-official member of a Cantonment Committee appointed under section 4 of the Cantonment Code?

4. Is there a uniform practice in all cantonments about such term of appointment?

5. If not, what is the determining factor of such a term?

Mr. E. Burdon: (1) Yes.

(2) One year.

(3) There is no statutory limit to the period of appointment of a non-official member of a cantonment committee. The period is usually stated in the order of appointment issued under section 4 of the Cantonment Code, 1912.

(4) No.

(5) Under section 4 of the Cantonment Code, the matter is left to the discretion of the nominating officer.

QAZI SIRAJUDDIN AHMED AND AMBALA CORRUPTION ENQUIRY.

524. ***Mr. Pyari Lal:** 1. With reference to the Government reply to my question regarding the engagement of Qazi Sirajuddin Ahmed, Bar-at-law, for assistance in Ambala Corruption Enquiry, has the attention of the Government been drawn to an article headed "Is the Government anxious to suppress Corruption?" published in the *Cantonment Advocate* of 10th December, 1922?

2. Is the Government aware that the All-India Cantonments Association in its telegram dated 27th November, 1922, to the Northern Command, made a clear offer to bear the expenses of Qazi Sirajuddin Ahmed's appointment?

3. If so, will the Government be pleased to state why this offer was not accepted?

Mr. E. Burdon: (1) Yes.

(2) Yes.

(3) Chiefly because at the time it had been found that the legal assistance previously contemplated was not required, and because it had been ascertained that if it should be required at a later stage, Government themselves were prepared to bear the cost.

TRANSFER OF LAND TO SOMDATT RAMLALL, AMBALA.

525. ***Mr. Pyari Lal:** 1. With reference to the Government reply regarding the transfer of a piece of land to Messrs. Somdatt Ramlall, given on 15th January, 1923, is the Government aware that the All-India Cantonments Association wrote to the Cantonment Magistrate, Ambala, and to the G. O. C., Ambala, about their readiness to substantiate the relationship between Somdatt Ramlall and Pandit Shugan Chand, head clerk of the Cantonment office?

2. Has the attention of the Government been drawn to a letter of the All-India Cantonments Association to the Cantonment Magistrate bearing on the subject published in the *Cantonment Advocate* of 10th November, 1922?

3. Will the Government be pleased to state how this letter was dealt with?

4. Will the Government now direct the Ambala Local Authorities to give the All-India Cantonments Association chance to substantiate this relationship now?

Mr. E. Burdon: 1, 2 and 3 Government have no information on the subject apart from the passage in the *Cantonment Advocate* mentioned in the second part of the Honourable Member's question, which the Government have seen.

4. The matter to which the Honourable Member refers is one of the matters dealt with by Colonel Lawrenson in the inquiry which he recently conducted in the Ambala Cantonment. Colonel Lawrenson's report is at present under the consideration of Government, and Government are not at present in a position to say what action will be taken in regard to it.

Mr. W. M. Hussanally: May I ask, Sir, if the Honourable Member will obtain the information and place it before the House?

Mr. E. Burdon: What information?

Mr. W. M. Hussanally: The information called for by Mr. Pyari Lal. The Honourable Member said just now that the Government had no information.

(No answer.)

GOVERNMENT GOLD AND STERLING OBLIGATIONS.

526. ***Mr. Harchandrai Vishindas:** Will Government be pleased to state:

- (i) what steps have the Government of India and the Secretary of State taken to limit, reduce or alter the extent of their large gold or sterling obligations, since the demonetisation of silver by European States in the seventies of the last century?

- (ii) what was the extent of such gold or sterling obligations (a) total, (b) in India, (c) in England in the years 1872-73, in 1900, in 1914, i.e., before the war, and in the year 1920-21?
- (iii) leaving aside borrowings on account of war expenses, what factors have operated in increasing our gold or sterling obligations?
- (iv) whether "charges" due to Exchange variations from time to time and Exchange Compensation Allowances have anything to do with this increase?

The Honourable Sir Basil Blackett: (i), (iii) and (iv). I am afraid this is too large a matter to be dealt with by way of answer to a question.

(ii) The obligations referred to are entirely in England. The direct sterling obligations amounted at the end of—

1872-73	to	£39 Millions.
1899-1900	to	£124 „
1913-14	to	£177 „
1920-21	to	£191½ „

Mr. W. M. Hussanally: May I, Sir, know if I cannot get any answer from the Army Secretary with reference to my supplementary question on No. 525?

Mr. E. Burdon: I was studying the first three parts of the question which were answered together.

Mr. President: The Honourable Member can raise the point again at the end of the questions.

REMITTANCES TO ENGLAND.

527. ***Mr. Harchandrai Vishindas:** Will Government be pleased to lay on the table figures for each year from the year 1872-73 up to date with regard to following:

- (i) total Remittance to England to cover Home charges and all other kinds of charges including interest, annuities, etc.
- (ii) charges or net loss due to Exchange variations on these remittances?
- (iii) charges due to Exchange Compensation Allowances?

The Honourable Sir Basil Blackett: (i) The Honourable Member is referred to supplementary account No. 1-A, on pages 370 to 374, of the "Statistics compiled from the Finance and Revenue Accounts of the Government of India from 1st April, 1912, to 31st March, 1920." These give the net expenditure in England for each year from 1814-15 to 1919-20. The corresponding figures for 1920-21 and 1921-22 are £28,200.250 and £27,747,795, respectively.

(ii) The figures required for the 8 years 1912-13 to 1919-20 will be found in accounts Nos. 51 and 51-A on pages 236 and 237 of the above volume. Figures for previous years will be found in the earlier issues of the same publication.

(iii) A statement is laid on the table giving the figures from 1912-13 to 1920-21. Figures for earlier years will be found in the Finance and Revenue Accounts.

Statement showing the charges for exchange compensation allowance.

Year.	Imperial.	Provincial.	Total.
	Rs.	Rs.	Rs.
1912-13	32,45,737	16,76,262	50,21,999
1913-14	33,48,223	16,91,747	50,39,973
1914-15	33,07,317	17,38,177	50,45,494
1915-16	33,84,993	16,64,659	50,49,652
1916-17	35,91,610	15,86,672	49,86,282
1917-18	30,71,628	13,03,832	43,75,460
1918-19	5,97,447	2,23,435	8,21,382
1919-20 . . . . .	...	...	...
1920-21	26,291	35,731	62,022

PAYMENT OF SALARIES OF GOVERNMENT EMPLOYEES.

528. ***Mr. Harchandrai Vishindas:** Will the Government be pleased to state:

- (i) whether it is a fact that under terms of contract, the Government pay salaries and emoluments of all their employees in rupees or sterling only?
- (ii) whether the terms of contract of persons recruited in England contain provision for Exchange Compensation Allowances?
- (iii) if not, the reasons why Government award such compensations on remittances made by their servants employed in India but resident in England?
- (iv) what is the extreme variation in points in the last thirty years, (a) in the value of gold, (b) in the value of silver?
- (v) maximum fall in pound sterling (or gold value) of the salaries of public servants resident in England?
- (vi) when were the salaries, emoluments, etc., last improved: (a) of members of the Imperial Services; (b) of members of Provincial and non-gazetted services?

The Honourable Sir Basil Blackett: I am afraid I cannot deal adequately with this matter in a reply to a question. Moreover, the collection of the information asked for would involve an amount of labour quite incommensurate with the results.

PAY OF BRITISH AND INDIAN SOLDIERS.

529. ***Mr. Harchandrai Vishindas:** Will the Government be pleased to state:

- (i) (a) why is it that the pay of the British soldier while he is in India is paid in terms of sterling, and that of the Indian soldier, even while he is taken abroad outside India is fixed in rupees?

- (b) whether the Exchange Compensation Allowance paid to the British soldier and other British employees on account of Exchange fluctuations has ever been paid to the Indian soldier and employees when they have been affected by these variations?
- (ii) when was it originally undertaken that the payments of retired servants of the Government resident in England should be paid in sterling?
- (iii) have the Government considered or do they propose to consider the desirability of modifying the above arrangements?

Mr. E. Burdon: (i) (a) The pay of the British soldier in India is based on a sterling rate and is disbursed in rupees, at a rate of conversion which does not vary with the fluctuations of exchange. The pay of the Indian soldier, which is fixed in rupees, is disbursed to him in the currency of the country in which he is serving.

(b) No exchange compensation allowance is paid to the British soldier. Compensation on account of fluctuations of exchange has, at various times, been paid to Indian soldiers when serving outside India in countries which do not have a rupee currency.

(ii) In June 1863.

(iii) In the opinion of the Government of India the arrangements described above are equitable and it is not proposed to alter them.

POWERS OF SANCTION OF SECRETARY OF STATE AND INDIA OFFICE.

530. ***Mr. Harchandrai Vishindas:** Will the Government be pleased to state:

- (i) whether it is a fact that the Secretary of State and the India Office enjoy absolute power and unchecked authority to initiate, control or sanction additional expenditure of almost every kind, over and above the budgetted one?
- (ii) how many times during the last thirty years has this authority been exercised by them?
- (iii) whether they would be pleased to lay a statement on the table recounting the nature of each item on which extra expenditure has been made by the Secretary of State or the India Office in the above manner?

The Honourable Sir Basil Blackett: I presume the Honourable Member means to refer to the powers of the Secretary of State in Council.

(i) The Honourable Member will find the financial powers of the Secretary of State in Council defined in section 21 of the Government of India Act.

(ii) and (iii) It is not possible to furnish the information desired by the Honourable Member without an elaborate investigation.

RAILWAY BOARD PASSES.

531. ***Maulvi Miyan Asjad-ul-lah:** (a) Will Government be pleased to lay on the table a statement showing separately the number of family and single passes as well as privilege ticket orders granted to each officer of the first, second and third class belonging to the Railway Board and the

Office of the Accountant-General, Railways, over the Company and the State-managed Railways respectively during the year 1922.

(b) What average additional emoluments does each class of officer get per month in the shape of passes and P. T. O.'s ?

(c) How does this rate compare with the rates of pay drawn by similar class of officers in other departments of the Government of India?

(d) What is the total annual cost of these passes and P. T. O.'s and to what accounts is this expenditure debited?

(e) What is the aggregate loss of profit to Government on account of the grant of these free passes?

(f) Do the conditions of service in these offices provide for the grant of these concessions or they are granted merely as a matter of convention?

(g) Who is the sanctioning authority and what is the criterion for eligibility for these concessions?

(h) Is it a fact that the pass holders are allowed to travel by the mail trains and this often causes inconvenience to passengers who travel on payment particularly during the X'mas and other holidays?

Mr. C. D. M. Hindley: (a) A statement showing the number of passes and privilege ticket orders issued is laid on the table.

(b), (c), (d), (e), (f) and (g). The Honourable Member is referred to parts (a), (c) and (g) of the reply given to question No. 446 on 5th March, 1923.

(h) Not always but in all cases ticket holders have preference for accommodation.

Statement showing the number of single passes and P. T. Os. issued to Railway Board's staff and Accountant General, Railways, during the year 1922.

Class.	Over State Railways.	Over Company-managed Railways.	Combined State and Company Lines.
First Class passes	95	95	87
Second Class passes	351	96	179
Inter Class passes	134	21	46
Third Class passes	185	3	25
Second Class P. T. Os. . . .	24	14	2
Inter " "	69	54	19
Third " "	15	126	25

MEMORIAL FROM COORG.

532. ***Rao Bahadur C. S. Subrahmanayam:** 1. Will the Government be pleased to state whether a memorial dated September, 1918, addressed to His Excellency the Viceroy and Governor General by the leading inhabitants of Coorg, was received and were any orders passed thereon?

2. Will the Government be pleased to lay on the table a copy of the memorial and the orders thereon?

3. Have the Government under consideration the amalgamation of the Province of Coorg with the Presidency of Madras and thereby save a considerable sum now spent under separate Supervising and Controlling establishments?

4. Is not the area of the province of Coorg just about that of a Madras district?

The Honourable Sir Malcolm Hailey: (1) and (2). A copy of the memorial referred to was received by the Government of India from the Chief Commissioner in 1919, but no orders have been passed on it. Government think that no useful purpose would be served by laying a copy of it on the table, but such a copy will be supplied to the Honourable Member, if he so desires.

(3) No.

(4) The area of the Coorg Province is 1,582 square miles, which is much smaller than the area of most districts in the Madras Presidency.

IMPORTATION OF SLEEPERS.

533. ***Mr. K. C. Neogy:** (a) Has the attention of Government been drawn to a statement dated Delhi, January 17 last, from the Associated Press of India, in which it is stated that "sleepers are only imported from outside India to make good the shortage of supplies in India"?

(b) Was the said statement issued under official authority?

Mr. C. D. M. Hindley: The answer to (a) is in the affirmative.

(b) The sentence quoted forms part of information furnished by the Railway Board to the Press which represented the position as known to them at that time.

Mr. K. Ahmed: May I enquire, Sir, the names and particulars of those who are the suppliers of these sleepers from outside India?

Mr. President: The question that arises is the authenticity of the statement made regarding the importation of sleepers from outside, not whence those sleepers come.

SLEEPERS AVAILABLE IN INDIA.

534. ***Mr. K. C. Neogy:** Are Government aware that there are several lakhs of deodar and other sleepers available in India at present?

Mr. C. D. M. Hindley: Yes. But the relative price has also to be taken into consideration.

Dr. H. S. Gour: What is the relative price which has to be taken into consideration? What is the difference between a country-made sleeper and an imported sleeper?

Mr. C. D. M. Hindley: I am afraid I am not able to give exact figures in reply to that question, but, obviously, in purchasing sleepers we have to take into consideration the price at the point at which they are landed.

JARRAH SLEEPERS FOR G. I. P. RAILWAY.

535. ***Mr. K. C. Neogy:** (a) Are Government aware that the Great Indian Peninsula Railway has recently called for tenders for one lakh of Jarrah sleepers?

(b) Is it a fact that the Great Indian Peninsula Railway has called for these tenders in spite of the fact that it was offered deodar and other sleepers available in India?

Mr. C. D. M. Hindley: The answer to (a) and (b) is in the affirmative.

Mr. S. O. Shahani: Are Government prepared to forbid the importation of sleepers from outside India?

Mr. President: That question does not arise.

Mr. Jamnadas Dwarkadas: Will Government kindly state whether they have tried to obtain sleepers from the Canara forests?

Mr. C. D. M. Hindley: I am afraid I have no information. I should like notice of that question.

Dr. H. S. Gour: What were the tenders for the deodar sleepers referred to in clause (b), and what was the price of the jarrah sleepers ordered by the Great Indian Peninsula Railway?

Mr. C. D. M. Hindley: I should like to have notice of that question.

Mr. R. A. Spence: Would Government be pleased to give the reasons for the decision of the Great Indian Peninsula Railway in this case?

Mr. C. D. M. Hindley: The Great Indian Peninsula Railway, like all Companies' Railways, are exercising their own competence in the matter.

Dr. H. S. Gour: Is it not a fact that the Great Indian Peninsula Railway, being a subsidized railway, acts under the direction and control of the Railway Board?

Mr. C. D. M. Hindley: Not in the matter of making contracts for sleepers, Sir.

Dr. H. S. Gour: Could the Great Indian Peninsula Railway pay more than the current rate for sleepers, and the Railway Board be powerless to check them?

Mr. President: That is a hypothetical question.

THIRUMALVASAL PORT.

536. ***Mr. Narayandas Girdhardas:** (a) Has the attention of the Government been drawn to the written memorandum submitted to the Acworth Committee (Railways) by Lieutenant-Colonel E. Barnardiston, regarding the agreement between the South Indian Railway and the British India Steam Navigation Company, about Thirumalvasal Port, in Tanjore district, and to the annexure to the oral evidence of Messrs. Ross Logan and C. S. Rowbotham, relating to the same subject?

(b) Are the Government prepared to consider the question of getting the said agreement cancelled or of taking any action in the matter?

Mr. C. D. M. Hindley: (a) The reply is in the affirmative.

(b) Government already have the matter under consideration in communication with the South Indian Railway.

INDIAN COMPANIES AND PROVINCIAL REGISTRATION DEPARTMENTS, MADRAS.

537. ***Mr. Narayandas Girdhardas:** 1. Will the Government be pleased to state whether a representation was made to the Honourable the Commerce Member when he visited Madras in December last, by the Southern

India Chamber of Commerce, urging the separation of the Indian Companies Department in the Presidency from the Provincial Registration Department on the score of—

- (a) Economy to the Central Government,
- (b) Greater efficiency in the administration of the Companies Department, and
- (c) The desirability of dispensing with a number of Assistant Registrars in the districts?

2. Will the Government of India consider the desirability of placing the Indian Companies Department in the Madras Presidency on an independent footing as is the case in Bombay and Calcutta?

Mr. A. H. Ley: 1. Yes.

2. The question raised by the Honourable Member was fully considered in 1913, and again only last year in consultation with the Local Government and it was decided that the existing arrangements were the most economical. An establishment of the nature of that retained in Calcutta and Bombay would be more costly than the present separate establishment now entrusted with this work in Madras City. The existence in the mofussil of Madras of a large number of nidhis or mutual loan associations necessitates a district staff which can only be economically supplied by utilizing the services of some of the officers of the Local Government. In Bengal and Bombay such conditions do not exist and there is no need for any officers in the districts. The Government of India do not therefore propose to disturb the existing arrangements.

Sir Deva Prasad Sarvadhikary: May we have your indulgence, Sir, in getting from the Honourable the Finance Member some . . .

Mr. W. M. Hussanally: Sir, I wanted to know from the Honourable the Army Secretary if he would call for the information which I asked for and place it before the House—the information which he said the Government of India had not got.

Mr. E. Burdon: Parts, 1, 2 and 3 of Mr. Pyari Lal's question No. 525 deal with certain not very important details of a matter, which as I have said in reply to part 4, of same question was one of the matters dealt with by Colonel Lawrenson in an inquiry which he recently conducted in the Ambala Cantonment. I explained also that Colonel Lawrenson's report is under the consideration of Government, and it is only when consideration of the report has advanced further that Government would be able to say whether it is necessary to call for further information in regard to the details dealt with in the first three parts of the question and any other details which may be thought relevant.

Mr. President: I have allowed the Honourable Member from Sind to re-open a question after we passed the substantive question. It would be improper to allow reference back to questions after we pass the answers unless, as in this case, the supplementary question had already been put and the answer was not ready. Solely because the answer was not yet ready, I allowed the Honourable Member to go back, which otherwise would not be proper.

UNSTARRED QUESTION AND ANSWER.

INDIANIZATION OF EIGHT INFANTRY UNITS.

228. **Rai Sahib Lakshmi Narayan Lal:** 1. (a) Will the Government be pleased to state whether any scheme or programme has been prepared for the Indianization of the eight infantry units of the Indian Army for which His Excellency the Commander-in-Chief announced steps would be taken immediately?

(b) If so, will the Government be pleased to lay the same on the table?

(c) If not, will the Government be pleased to state when the scheme or the programme is likely to be ready?

(d) In what time do the Government propose to complete the Indianization of the said units?

2. Do the Government propose not to undertake the Indianization of any other unit before the completion of the Indianization of the said eight units?

Mr. E. Burdon: A statement will be laid upon the table of this House to-morrow, which will deal fully with all the points to which the Honourable Member's question is directed.

PARTICULARS RE LUMP RETRENCHMENT FIGURES.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): Sir, we ask for your indulgence in getting some very necessary information from the Honourable the Finance Member. The lump retrenchment figures distributed under the various budget items are not yet available and without those figures, anything like reasoned and reasonable proposals in connection with the Demands for Grants would not be possible. Therefore, the first thing that I should like to know is as to when those figures will be available, and the second thing is whether the two days rigid limitation about proposals will be insisted on, having regard to the fact that the figures are not yet available. After we get the figures, they will have to be studied in connection with the Inchcape Report as well as the original Demands for Grants, and then and then alone can we frame anything like proposals that will be helpful to the department, if they ever can be.

The Honourable Sir Basil Blackett (Finance Member): Sir, I recognise that the House has been put to a considerable amount of difficulty owing to the way in which it has been necessary first of all to circulate the detailed estimates for the Demand for Grants without the special cuts and then to follow that up by a new paper showing the special cuts. I hope to be in a position to distribute either this evening or early to-morrow morning the further paper promised showing the distribution over the various heads of the special cut of 4 crores. I hope very much that that will be in the hands of Honourable Members first thing to-morrow morning. We are doing our best. We, like them, have been in a certain amount of difficulty over that matter.

As regards the second point raised, speaking for myself, I should certainly not desire to raise a formal objection, because an amendment has been put in regard to which the notice required under the rules has not been given, such notice not having been given because of the absence of the paper showing the detailed reduction.

MESSAGES FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, two Messages have been received from the Secretary to the Council of State. The first one is as follows:

" Sir, I am directed to inform you that the Council of State has, at its meeting held on the 8th March, 1923, agreed without any amendments to the following Bills which were passed by the Legislative Assembly:

- (i) A Bill to provide for the creation of a fund for the improvement and development of the growing, marketing and manufacture of cotton in India.*
- (ii) A Bill to amend the Indian Income-tax Act, 1922.*
- (iii) A Bill further to amend the Government Savings Banks Act, 1873."*

The second Message runs as follows:

" Sir, I am directed to inform you that the Bill to consolidate and amend the law in British India relating to official secrets, which was passed by the Legislative Assembly at its meeting of the 24th February, 1923, was passed by the Council of State at its meeting on the 8th March, 1923, with the amendments indicated in the attached statement.

The Council of State requests the concurrence of the Legislative Assembly in the amendments."

Sir, I lay on the table the Official Secrets Bill as passed by the Council of State.

Statement showing the amendments made in the Indian Official Secrets Bill by the Council of State.

" 1. In part (e) of sub-clause (1) of clause 6 of the Bill, for the words 'or uses' the words 'or knowingly uses' were substituted.

2. In part (b) of sub-clause (2) of clause 6 of the Bill, for the words 'neglects or' the word 'wilfully' was substituted."

THE CRIMINAL LAW AMENDMENT BILL.

The Honourable Sir Malcolm Hailey: I beg to move:

" That the amendments made by the Council of State in the Bill further to amend the Code of Criminal Procedure, 1898, the European Vagrancy Act, 1874, the Indian Limitation Act, 1908, and the Central Provinces Courts Act, 1917, in order to provide for the removal of certain existing discriminations between European British subjects and Indians in criminal trials and proceedings be taken into consideration."

The amendments made by the Council of State are before the House. They will be found to be few in number, and with one exception, formal in nature. The exception to which I refer is the amendment which we introduced in order to give effect to the vote in this House on the subject of appeals in cases where sentence of whipping was given without a sentence of imprisonment. I shall not refer further to that matter now as an opportunity for discussion will arise, if discussion is necessary, when you place that amendment before the House.

The motion was adopted.

Mr. President: Amendment made by the Council of State:

"That clause 1 be re-numbered as sub-clause (1) of clause 1 and to that clause the following sub-clause be added, namely:

'(2) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint."

The question is that this Assembly do agree with the Council of State in that amendment.

The motion was adopted.

Mr. President: Further amendment made by the Council of State:

"For sub-clause (2) of clause 2 the following be substituted, namely:

'(2) In clause (j) of the same sub-section, after the word 'Rangoon' the words 'and the Courts of the Judicial Commissioners of the Central Provinces, Oudh and Sind' shall be inserted'."

The question is that this Assembly do agree with the Council of State in that amendment.

The motion was adopted.

Mr. President: Further amendment made by the Council of State:

"After clause 4 the following clause be inserted, namely:

'4A. In sub-section (1) of section 29 of the said Code, for the words and figures 'provisions of section 447' the words 'other provisions of this Code' shall be substituted'."

The question is that this Assembly do agree with the Council of State in that amendment.

The motion was adopted.

Mr. President: Further amendment made by the Council of State:

"In clause 5, in the proposed new section 29A, the words 'Notwithstanding anything contained in section 28 or section 29' be omitted."

The question is that this Assembly do agree with the Council of State in that amendment.

The motion was adopted.

Mr. President: Further amendment made that:

"For clause 11 the following clause be substituted, namely:

'11. In section 266 of the said Code, after the word 'includes' the following words shall be inserted, namely:

'the Courts of the Judicial Commissioners of the Central Provinces, Oudh and Sind, and'."

The question is that this Assembly do agree with the Council of State in that amendment.

The motion was adopted.

Mr. President: Further amendment made:

"After clause 19 the following clause be inserted, namely:

'19A. In section 390 of the said Code, after the word 'shall' the words 'subject to the provisions of section 391' shall be inserted'."

The question is that this Assembly do agree with the Council of State in that amendment.

The motion was adopted.

Mr. President: Further amendment made:

"After clause 19 the following clause be inserted, namely:

'19-B. In sub-section (1) of section 391 of the said Code, for the words 'is sentenced to whipping in addition to imprisonment in a case which is subject to appeal' the following shall be substituted, namely:

'(a) is sentenced to whipping only and furnishes bail to the satisfaction of the Court for his appearance at such time and place as the Court may direct, or

(b) is sentenced to whipping in addition to imprisonment'."

Dr. H. S. Gour (Nagpur Division: Non-Muhammadian): Might I suggest in this connection a slight improvement in order to bring the provisions of clause (a) into conformity with the general Code of Criminal Procedure. I suggest that the words "or executes recognizances" be added after the word "bail". The sentence, as amended, would then read:

"is sentenced to whipping only and furnishes bail or executes recognizances to the satisfaction of the Court for his appearance at such time and place as the Court may direct."

Mr. President: Amendment moved:

"After the word 'bail' insert the words 'or executes recognizances'."

The Honourable Sir Malcolm Hailey: I think the House will agree with me that, when an offender has been sentenced and it is proposed to release him pending appeal against that sentence, the right form is bail. The House will remember that we considered that point, when we discussed the question relating to an appeal against whipping, and the suggestion made to us in this House was bail. That is the suggestion we have accepted and to which we have given effect.

The motion was negatived.

Mr. President: The question is that this Assembly do agree with the Council of State in the said amendment.

The motion was adopted.

Mr. President: The question is that this Assembly do agree with the Council of State in the re-numbering of the said clauses.

The motion was adopted.

THE INDIAN PENAL CODE (AMENDMENT) BILL

The Honourable Sir Malcolm Hailey (Home Member): Sir, I move:

"That the Bill to amend sections 362 and 366 of the Indian Penal Code, as amended, be passed."

The House will remember that when we dealt here with this Bill, which was known as the White Slave Traffic Bill, I did not at the time put the final motion for passing, as we wished to have an opportunity to consider the effect of the amendment which was made in this House, namely, the amendment which raised the age from 16 to 18. I now propose to ask the House to pass the Bill. At the same time I think the change made is one which will require consideration. As will be remembered, we pointed out on a previous occasion that the age in other parallel sections of the Indian Penal Code was 16, sections which in themselves involve what seem to be more serious offences. We desire to have an opportunity of considering

[Sir Malcolm Hailey.]

with the Local Governments whether it will be possible to allow these two differing ages to stand side by side in the Penal Code. What I propose to do, therefore, is to ask that the Bill be passed, but subsequently to take an opportunity of suggesting elsewhere the provision of a commencement clause which will give us time to consider the effect of the change that has been made. The House will, I think, appreciate my point in this matter. It is inconsistent in itself to have two different ages in the Indian Penal Code applied to offences which may be described as more or less parallel, and it is advisable that we should have an opportunity of discussing with Local Governments whether any other changes may be advisable in the Indian Penal Code before we proceed further in the matter. It is for that reason that I shall propose elsewhere the introduction of a commencement clause. That is a very usual feature in these Bills. We have had to introduce a commencement clause, for instance, in the Bill which the House has just passed. Subject to this understanding, I now ask that the Bill be passed.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, I do not quite follow the Honourable the Home Member when he says that a commencement section will be introduced later on. I take it that those sections which are in the Indian Penal Code already are now amended and that they will stand part of the Code. Is it intended that before these provisions are given effect to, a commencement clause will be introduced later on and that meanwhile these clauses will not be operative. If the meaning is that it is not to be operative until the commencement clause comes in, I do not see the object of passing the Bill now, and then trying to introduce a commencement clause later on. Is it intended that the commencement clause should be introduced in another place?

The Honourable Sir Malcolm Hailey: Yes.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): I do not quite agree with Mr. Seshagiri Ayyar that there is no object in passing the Bill now. On the other hand I think this is quite a good opportunity. When we parted on the day that the Bill was considered clause by clause, we parted under a sense—I do not mind calling it so—a sense of disappointment. The usual thing on these occasions is for the Honourable Member in charge of the Bill to ask that the Bill be passed, and when the motion was not made some of us got the impression that there was a rift in the lute that did not quite conduce to the usual procedure being adopted. It has been explained to-day that the Government wanted to consider how the passing of such a measure as raising the age limit for the limited purpose in view was likely to affect the other sections in the criminal law of the land. Much does not seem to have been done in the meantime and we are about where we were when we parted on that occasion. The Honourable the Home Member is at liberty to take any steps he desires or thinks necessary, elsewhere; but I should like to press again a point of view that some of us tried to press the other day, this particular measure stands on a footing all its own. The other sections are more or less different and can be differentiated. This section deals with the creation of a new offence as it was put, in whatever sense that might have been intended; we were recognising that a crime that had so long escaped was being dealt with now and in the light of advancing knowledge and facts the Assembly thought that the age limit should be higher. Even if it takes some time

to bring the other sections into line—and we suggest again that that is the remedy that should be invoked in the case of the other sections—there is no reason why effect should not be given to the provisions of this measure pending the remedying of the other sections. From that point of view the Assembly would, I think, be of the same mind as it was when the clauses were considered one by one, *viz.*, that as soon as possible effect should be given to what has been enacted. That would be somewhat in line with the undertaking that we have practically given in Europe, following up which lead we have taken up this matter. One does not know how long it may take to get the other sections into line with the present section; but in the meantime there seems to be not much reason why the matter should be held up in the way that is suggested. In giving our accord to the passing of the measure, I am sure we should like to put that point of view before the Honourable the Home Member so that he may see that the enforcement of this measure may not be unduly delayed. On the other hand the other sections should be brought into line as soon as possible.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadian): Sir, there is another aspect of the question upon which I should like to address the House. It is this: supposing this House passes this Bill with the clauses inserted in another place for postponing its commencement to such date as the Governor General in Council may notify. In the meantime the Government of India consult the local Governments and public opinion on the subject of the other cognate sections of the Indian Penal Code being brought into line with the amendment made in this section; and suppose the local Governments and public opinion oppose any changes in those sections. What will then be the attitude of the Government of India regarding the commencement of this solitary section? Will they then never bring it into force at all? If so, the result would be a measure passed by both the Houses and ripe for enforcement immediately might be indefinitely deferred by the executive action of the Government of India. Now, that is a contingency which we in this House should certainly deprecate and we want an assurance from the Honourable the Home Member that suppose public opinion and the local Governments do not support the enhancement of age in the other sections of the Indian Penal Code, what would be the attitude of the Government regarding the measure which is to pass into law with the vote of this House and of the other House? The Honourable the Home Member is no doubt aware that the Government opposed the raising of the age limit and supported its attitude by a reference to the opinions of the local Governments and certain public bodies. The local Governments and public bodies who have opposed the enhancement of age under this section are not likely to change their views regarding the enhancement of age under the two or three other sections to which the Honourable the Home Member made reference on the last occasion, and therefore I submit the contingency I have pointed out is by no means a remote one, namely, that it may be that the local Governments and public opinion may not support the raising of age in respect of the other cognate sections. In that case I should like to have a definite assurance from the Honourable the Home Member that it would not jeopardise the enactment of the measure which we are about to pass.

Colonel Sir Henry Stanyon (United Provinces; European): Sir, I strongly support the proposal to introduce a commencement clause. I think it is necessary from every point of view, and chiefly from the point of view of legislative consistency in this House. In a number of sections

[Colonel Sir Henry Stanyon.]

relating to offences against minor girls, the Indian Penal Code fixes the maximum age at 16 years. In the case of this one particular section which we are now engaged in passing into law, this House has decided the limit of age to be 18 years. That is to say, this House has in a sensible and correct way decided that a minor girl under this law shall be in accordance with the law of majority in India. (*Sir Dera Prasad Sarvadhikary*: "And for this purpose.") Now, I do not at all share the apprehensions of my learned friend Dr. Gour. He thinks that if this Bill is held up, public opinion in India may insist on retaining 16 as the proper limit of age. I am not for one moment prepared to admit that the decision of this House, fixing the limit at 18 years, is not in accordance with the public opinion in India. If, in fact, on further reference it is found to be against the general body of public opinion in India, then this House will have to recognise that it has come to a decision which is contrary to the public opinion which it is supposed to represent; but I have no such fear. I think that, without any delay, while this Bill is held up so as to secure consistency, a measure should be introduced officially,—and if not officially, then non-officially,—to bring the limit of age up to 18 years in all the cognate sections of the Indian Penal Code; and I feel sure that public opinion, and any future Assembly which may represent us who are here to-day, will sustain a measure of that kind; but it certainly would be confusing and undesirable that one of the same class of acts should be an offence when committed against a girl who has not yet attained 18 years, while in all other cognate offences the age limit should be 16 years. That would be legislative inconsistency. I therefore think that on these grounds the House will be well advised to accept the proposal that a commencement clause should for the present be introduced.

Mr. J. N. Mukherjee (Calcutta Suburbs: Non-Muhammadian Urban):

Sir, I also wish to add a word or two in support of the Government position, and in doing so I venture to point out the position in which the House finds itself at the present moment. As has been explained by the Honourable the Home Member out of a group of cases of a similar nature those of a less serious character with which we are at present concerned in connection with the present Bill, this House has fixed the age limit at 18 years, in constituting an offence under the Bill. Therefore, the position

is something like this. Where a person deals in the traffic of

12 Noon. sale or hire of girls for immoral purposes, the age limit at present is 16 years under the Penal Code. Whereas in the present Bill where single cases of behaviour may be contemplated, where say, by an abuse of authority, a person induces a woman just on one occasion, to go from any place with a certain intent, the age is fixed by the Bill at 18 years. That is, a larger class of cases of a less heinous character but punishable with the same punishment as in the more heinous offences say, for example, under section 372, Indian Penal Code, have been brought within the operation of this Bill. Therefore, as has been pointed out by my Honourable friend, Sir Henry Stanyon, there will be a real inconsistency in the Indian Penal Code, as soon as the Bill is passed and that is the position in which we are placed by the passing of the present Bill. The House is not at present concerned with the means by which it can get rid of this inconsistency because, after consideration of the whole situation, and of the opinions of local Governments, etc., some means may be devised by which this inconsistency can be got rid of. We are not concerned with that. The question, at the present moment, is whether time should be

taken in the manner proposed to consider the situation and to obtain the opinion of the local Governments on the point. The present Bill is a Bill to give effect to the International Convention held at Paris and in that view it has become necessary to pass legislation in this country. The initiation of the Bill did not commence in this country but it was from outside, and therefore the country can wait in a matter of this kind and, as has been pointed out, it may be necessary in order to avoid the inconsistency to raise the age limit of 16 years, in section 372 and the next section of the Indian Penal Code where the sale or hire of girls for immoral purposes and so forth, are dealt with to 18 years. So that, that is the broader question with which the House is faced, not the exact way in which this Bill is to be dealt with in future. There are means, no doubt, in the Government of India Act itself by which situations like the present, in which the House now stands, can be dealt with. Therefore, I submit, Sir, that the House need not now worry to consider in anticipation the measures it may have need to take after opinion of the Local Governments shall have been taken on the matter, and after considering the situation further. I therefore, Sir, support the observations which have been made by the Honourable the Home Member in connection with the passing of this Bill.

The Honourable Sir Malcolm Hailey: I should like to make clear the attitude of Government on this subject. It is necessary that I should do so, because Dr. Gour has asked me a definite question on the matter and asked for a categorical undertaking. He asks whether, if as a result of our inquiries from Local Governments and the public it appears that the latter is opposed to any change in other sections of the Indian Penal Code, that in itself will cause us to delay the application of the Bill which is now before the House. I think Sir Henry Stanyon has already given him the answer. It would be impossible for me to give that categorical undertaking for which he asks. If it really appears that the country at large, when the definite issue in its net form is before it (as it never has been put before it yet) is opposed to raising the age from 16 to 18 in those other sections, 373 and the like, then I think Government would be justified in considering that the House had made an error in raising the age from 16 to 18 in regard to the procurement offences and would be justified in reconsidering the question whether it should give effect to the Bill which is before the House. I may point out that the fact that a Bill has been passed in both Houses of the Legislature, even the fact that it has been passed by an overwhelming majority, which would certainly not be the case in this particular Bill, cannot deprive the Executive Government of a certain responsibility in regard to it. If it were made abundantly clear from subsequent inquiries, that the matter needed reconsideration, and that the public voice of the country itself demanded delay and reconsideration, then it would be the duty of the Governor General to refuse his assent to the Act in order that such reconsideration might take place. That position is a perfectly constitutional one; but is of course one with which I have not desired to confront the House in the past and do not desire to confront the House with now. I have suggested a more reasonable remedy, one which, I think, has been approved by speakers this morning, namely, that we should ask the Council of State to put in a commencement clause in this Bill, as we sometimes do in regard to other Bills; that would give us the opportunity of putting the whole matter before Local Governments and the public in a clear and definite form. I claim that so far the problem never really has been before them. What was before them was

[Sir Malcolm Hailey.]

a somewhat mixed problem connected with the ratification of the convention to which the representatives of India had agreed to adhere. But we have now a definite Bill, which shows exactly how the matter will stand under the criminal law and enables the public to make a comparison with other sections of the Code. If it appears that there is a general consensus of opinion that the age generally should be raised to 18, then of course we shall take it that the public agrees with the view expressed by a majority of this Assembly. If it appears, on the other hand, that there is a general consensus of opinion throughout the country that the age throughout should remain at 16, then we have very good ground for reconsidering the whole matter. I have stated the case to the House frankly in order that it might be under no misapprehension as to our attitude on this subject. But I can only claim that I think that attitude is a reasonable one in itself.

Mr. President: The question is that the Bill, as amended, be passed
The motion was adopted.

RESOLUTION RE EMIGRATION OF UNSKILLED LABOUR TO MAURITIUS.

Mr. J. Hullah (Revenue and Agriculture Secretary): I move, Sir:

"That this Assembly approves the draft notification which has been laid in draft before the Chamber specifying the terms and conditions on which emigration for the purpose of unskilled work shall be lawful to Mauritius, and recommends to the Governor General in Council that the notification be published in the Gazette of India."

I am sorry, Sir, that we have to ask the House to discuss this Resolution at such short notice, especially at a time when they have many other important matters to consider. But our negotiations with the Mauritius Government continued until a few days ago, so that we could not put the Resolution before the House sooner. On the other hand the state of business before the House for the rest of the month is, I understand, so congested that it would have been perhaps impossible to put the Resolution before the House later in the month. We have however done our best and have supplied Honourable Members with a full copy of the papers.

I come now to the subject of the Resolution. So far as the composition of its population is concerned, Mauritius may fairly be described as an Indian Colony. No less than 70 per cent. of the population of the island consists of Indians who have either emigrated from India or are the descendants of persons who have done so. And we may dismiss completely and immediately from our minds the troublesome question of equality of status. Indians in Mauritius have complete equality of status in every particular with all classes and communities in the island. Mauritius is a small place, but has a revenue, I understand, of not less than 2 crores of rupees. In area it is good deal smaller than many a tahsil or taluka in India, and I doubt whether anywhere in the world you could find an area of similar size, and dependent on a single agricultural industry, so rich or so prosperous. The cause of this prosperity is the sugar industry, almost the sole industry of the island, and one that is carried on certainly with very great success and, I believe, with very great efficiency. But the industry is now threatened seriously by a shortage of labour. There are two causes

of this shortage. Although the area under cane has increased by 26,000 acres in the last few years from 146,000 to 172,000 acres, the increase of the population has been very slow. The causes of this are firstly that Mauritius suffered very severely from the epidemic of influenza three or four years ago and secondly that the capital and chief sea-port, Port Louis, is very insanitary and has a high rate of mortality. The number of able bodied labourers is less by 9,000 than it was 10 or 12 years ago. But there is another and a more important cause of the shortage of labour. When I spoke about a month ago on the question of emigration to Ceylon, I was chaffed for having been so enthusiastic that I might have been speaking as a planter. If I am accused to-day of speaking with the voice of a planter, I can at least claim that 46 per cent. of my voice is Indian. The Indians who went out to Mauritius many years ago as poor labourers have now by thrift and consequent prosperity acquired no less than 46 per cent. of the sugar area in Mauritius and hold this area, not as tenants of the bigger estates but in full proprietary right, to dispose of as they please and to do whatever they like with it. But, as Honourable Members will have seen from the papers before them, it is not merely for the planting industry that labour is needed. Even more it is needed, and in the forefront of the Governor's proposals is a demand for labour, for large Government works, sanitary works and water-works, to improve the admittedly unsatisfactory health of the island and particularly of Port Louis. No less than one crore and 40 lakhs of rupees are lying in the treasury in Mauritius because they cannot be spent, owing to the want of labour, on a programme of works which will above all benefit the town of Port Louis, which is very largely, I believe mostly, populated by Indians.

Emigration from India to Mauritius has a very long history, but we need not go back very far. I go back to 1910 when a Committee, known as the Sanderson Committee, appointed to inquire into the question of emigration from India to the Protectorates and Crown Colonies, recommended that there should be no further emigration. It was said that the population was already dense; it was said that the supply of agricultural labour at the time was sufficient and there would come a time when the Indian labouring population, then unwilling to work, would be forced by dire stress of circumstances to do so. That prophecy has not been fulfilled. It was also said that pauperism was growing in the island. After this on several occasions, chiefly before the war, the Mauritius Government re-opened the question and asked the Government of India to resume emigration from this country. But those negotiations came to nothing, until in 1921, the Governor of Mauritius again opened the question and asked us to let him have 1,000 Indian labourers for public works and 200 artisans. We told him that a change had come over our emigration law and that the Government of India had no power to allow emigration without the consent of both Houses. We also told him the points on which the Legislature would no doubt want to be satisfied and the conditions that the Legislature would probably demand if Emigration was to be allowed. In every respect the wishes of the Government of India have been readily acceded to by the Government of Mauritius. And this has not been done as part of a bargain. They have not said to us "If we do this will you allow emigration?" They have acted first and have left it to us and to the Assembly to allow emigration if we please. Of the conditions which are before the Assembly in the Draft Notification, several have already been incorporated in the law of Mauritius. They are numbers 2, 4, 6, 7, 8 and 11. The rest either do not require to be incorporated in the law or

[Mr. J. Hullah.]

are the result of our most recent negotiations. Finally, at our invitation a deputation came from Mauritius to Delhi, and here I should like to acknowledge on behalf of the Government of India and, I feel sure, on behalf of the Standing Emigration Committee, the fullness, the clearness and the frankness with which they stated their case and supplied us with all the information that we desired.

The Standing Committee was exercised over only one point,—as in the case of Ceylon, the question of wages, but for a very different reason. Whereas it was thought that in Ceylon wages were certainly too low, there was no question but that in Mauritius wages were high, very high indeed. But it was feared by some members of the Committee that to allow an influx of Indian labour into Mauritius would depress the high rates of wages already prevalent there. It was pointed out, on the other hand, that we proposed, as we do in the Notification, to allow only 1,500 labourers to go, and that this small number could have no appreciable effect in depressing wages.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadian): What is the total number of labourers there already?

Mr. J. Hullah: The number of labourers, I think, is about 40,000. (*Mr. J. Chaudhri:* "59,000.") The agricultural population is very much bigger, and my point is that the agricultural population has grown at the expense of the labour population. It was also pointed out that the planters would certainly not import more labour than they needed on account of the very great expense of importing; it will cost about Rs. 300 to import a single labourer; if he takes his wife and children with him, it will cost of course very much more. Moreover, under the new Emigration Act and Rules, the Government of Mauritius will have to maintain an Emigration Commissioner in India and an emigration staff at very considerable expense, all of which goes to swell the cost of the labourer. Thirdly, we were reminded of the very large scheme of improvement which I have mentioned and which the Government has in hand—that works that are going to cost a crore and 40 lakhs can obviously provide labour for 1,500 persons and indeed a very great deal more. Nevertheless we negotiated in order to get and to secure a really sufficient wage. We had been shown a schedule of the cost of living, based on prices in 1921, which showed that the cost of living for a labourer, his wife and three children amounted to about Rs. 38. At the same time we were left under the impression that the present rate of wages for day labourers was Rs. 2 a day for a month of 26 days,—Rs. 52 a month. We were confirmed in this, we thought, by a telegram from the Government of Mauritius which was sent to us in June last year in which they stated:

"The normal rate for day labourers on estates does not now exceed Rs. 50. This Government is fully prepared to engage for labour at local market rates and to consider payment of such wages and under such conditions as the Government of India may suggest, subject to this being comparable with those now paid and afforded locally."

The meaning and intention of that telegram is not very clear to us, but at first we proposed to the Mauritius Government that they should pay wages which would be roughly equivalent to Rs. 50 per month, and we therefore asked that they should guarantee a wage which would provide the cost of living according to the schedule, which was then put at Rs. 38, plus a margin of Rs. 12 a month, in all Rs. 50, with free housing and medical attendance. Failure to obtain this wage was to be a condition of repatriation.

Any labourer who within two years could show to the Protector of Emigrants, or to our agent when appointed, that he could not obtain this wage including this margin was to be entitled to repatriation immediately. The Mauritius Government could not accept this proposal as it stood and replied—"that they consider the fixed margin of 12 rupees to be excessive."

"This", they said,

"would bring wages with the cost of living calculated on a liberal scale, above the actual market rates, and such wages paid to newly landed immigrants would have a disturbing effect on all classes of labour in the island. With regard to the rate of Rs. 50 referred to in my telegram of the 20th of June, this referred to day labourers on estates not getting housing or medical attendance and is the rate paid during the crop season when wages are at their highest owing to the demand for labour. Even at that date lower rates were being paid for labour engaged on roads, etc. It should be realised that rates vary considerably in and out of the crop season. On estates at present a labourer with family receives besides free housing and medical attendance 28 to 30 rupees in cash and rations."

So we had another meeting of the Standing Emigration Committee and it was admitted by the majority that it was hardly reasonable to demand from the Mauritius Government a fixed wage irrespective of the cost of living at the time and one stated to have been in force last year at the very height of the busy season of the sugarcane crop. So our final proposal to the Government of Mauritius was that as the condition of repatriation there should be a wage equivalent to the cost of living for a man, his wife and 3 children, *plus* a reasonable margin to be determined in consultation between the Government of India and the Government of Mauritius. That proposal has been accepted by the Mauritius Government and it appears in the conditions that we have placed before the House. It is very liberal, I think; if a man goes all by himself and does not take his wife or any children, he will, nevertheless, get a wage equivalent to the cost of living for a man, a woman and three children *plus* a margin to be determined by discussion between the two Governments. The notification further provides that emigration to Mauritius shall be lawful with effect only from a date to be notified in the "Gazette of India" by the Governor General in Council after the matters requiring determination under clause 10 of the notification shall first have been determined, so that if the Assembly passes the notification to-day, it does not mean that emigration begins forthwith. This Government and the Government of Mauritius have to discuss and settle what shall be the wage and what shall be the margin, and we ask the Assembly to leave this matter in our hands.

I have now shown, Sir, I hope to the satisfaction of the Assembly, that Mauritius is a country to which we can confidently allow Indian labourers to go. When they get there they will find themselves among thousands and thousands of their brethren who speak the same language as themselves. They will find that they are equal in status with every section of the community. They will find themselves getting wages equal to what is required for the subsistence of a family of five. They will receive free housing and free medical attendance. They will not be able to make contracts of service for a period exceeding one month, so that nothing like the indenture system can arise. They will have extraordinarily liberal conditions of repatriation. Up to two years a man can secure repatriation for any reasonable cause, including the very liberal condition that he shall be repatriated if he cannot obtain work suitable to his capacity, and after two years he has an absolute right to repatriation without assigning any reason whatsoever. I have also told the

[Mr. J. Hullah.]

Assembly of the readiness with which the Mauritius Government have accepted all the terms which we put before them during the course of the earlier negotiations and how without bargaining they have gone ahead and actually embodied these conditions in their law. I think there is no real fear that the addition of this small number of 1,500 persons to the labouring population of Mauritius can possibly operate to depress wages, for there will be sufficient work for them on the large sanitary works of improvement, which will benefit the whole island and especially the present Indian population. And I believe that if we allow this small body of labourers to go to Mauritius, they will find themselves in a country where the conditions of life for them are happier and more prosperous than anything that they know in their own. Sir, I commend my Resolution to the Assembly.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadian Urban): Sir, I beg to move an amendment which stands in my name to the Resolution moved by the Honourable Mr. Hullah:

"That for the original Resolution the following be substituted:

"This Assembly recommends to the Governor General in Council that the consideration of the draft notification specifying the terms and conditions on which emigration for the purpose of unskilled work shall be lawful to Mauritius be postponed pending investigation on the spot by an officer of the Government of India of the probable effects of emigration of fresh labour into the colony on the Indian labour population already settled there."

Sir, the Honourable Mr. Hullah, in moving this Resolution, has given a pretty accurate account of the conditions prevailing in Mauritius. In fact, speaking once or twice before in this Assembly, I referred to Mauritius as a colony where conditions were quite favourable for the people who were already settled there. There are one or two aspects of the question which require careful consideration at the hands of the Assembly. In the first place we have already got there, settled in this very small colony, which as has been described to us, is no bigger than a taluka or frika even in many parts of the country, only about 520 square miles, has a population and a very large population indeed of Indians, who went there as indentured immigrants and of whom now about 40 per cent. have become peasant proprietors of small quantities of land. I may mention for the information of the House that there is no land available for purchase for new goers there, unless it be that the owners of big estates parcel out pieces and sell them. In fact the Indian settlers acquired property only in this way from owners of big estates parcelling out their estates and selling them at various prices. There is no land available to the Government which can be placed at the disposal of these new settlers there. That is one aspect of the question which has to be remembered.

Another aspect of the question which has to be remembered is that there are about 50,000 Indian labourers who have to depend upon the market conditions of labour prevailing there. An influx, therefore, of Indian labour to compete with Indians already settled there is a matter which requires very careful consideration at the hands of the Assembly. We have not to look at it from the point of view merely of the new goers there. If you look at it only from that point of view, I have no doubt myself that these people will lead a better life than they do in their own homes. On that subject I have not the least doubt, because the wages in Mauritius are better than the wages prevailing in rural areas and

slightly better than the wages prevailing in urban areas; but the question of emigration to Mauritius stands on a new footing in view of the past history of emigration to that Colony. The matter was thoroughly investigated by a Committee appointed by the Government of India in 1909 and in 1910 it was resolved on the report of that Committee, as Honourable Members will see, that emigration should not be permitted to Mauritius on the grounds, as Honourable Members will find on page 3, "that the Indian population there was large enough to supply all the necessary demands and that a state of things was approaching in which the pressure of existence would compel them to do so. They also considered that, as the Indian population increased, and the amount of undeveloped land diminished by the steady growth of peasant proprietorship, the openings for the immigrants whose term of indenture had expired would constantly diminish, with the result that the free labour market would become overstocked."

That was in 1910. Immediately afterwards, in 1912, within two years, the Governor of that Colony tried to re-open the question more or less on the same grounds as are now urged for re-opening that question, namely, that there is a dearth of labour, that there is not so much congestion, and in fact the Committee were misinformed and came to wrong conclusions. Almost the identical grounds which are urged now in support of allowing emigration were urged within two years of that Committee. It is not that the conditions are alleged to have changed after 10 or 12 years; it was alleged even within two years that the conditions were changed and in fact that the Committee came to wrong conclusions. That was the ground on which the Governor tried to re-open the question, but both the Government of India and the Secretary of State were satisfied that they could not allow emigration. Again, in 1915, the Governor tried to re-open the question and then he wanted only 200 or 300 labourers at that time. The Government of India however stood firm and said they would not allow emigration because the effect on the Indian population there would be mischievous by the introduction of fresh Indian labour. In fact, the Government of India have persistently refused to grant the request for the following reasons which Honourable Members will find at page 6. I emphasise grounds 3, 4 and 5:

"(3) If additional labour is introduced, the congestion in the country will not be removed by the opening out of waste land.

(4) Indian opinion in Mauritius is opposed to the introduction of additional labour.

(5) The gain to prospective emigrants is negligible, as high wages can be earned in the principal towns of India."

These are the grounds on which the Government of India strenuously refused to re-open that question. Now the Government of the Colony in 1921 renewed the request by making an appeal to the Government of Madras which was transmitted to this Government. At that time we were considering the Emigration Act. Honourable Members are aware of the policy which underlies our Emigration Acts, that assisted emigration should not be permitted unless we are satisfied that the conditions in the place where we send our labour population are satisfactory, and that is why we took the control of emigration into our hands. Now Honourable Members will find that in May 1922 the Government of this Colony made an offer, or rather proposed to this Government, that we should allow emigration for Government works, and they were prepared, as Honourable

[Rao Bahadur T. Rangachariar.]

Members will see from the telegram just read to us this morning which appears at page 21,—which is dated the 20th June 1922, they state:

“The normal rate for day labourers on estates does not now exceed Rs. 50. The Government is fully prepared to engage day labour at local market rates and to consider the payment of such wages and under such conditions as the Government of India may suggest, subject to these being comparable with those now paid and afforded locally.”

So that they were prepared to pay a little over Rs. 50, which was then the prevailing normal rate. This was confirmed in their letter, dated 14th August 1922:

“As stated in my telegram of 20th June, this Government is fully prepared to engage labourers at local market rates and to consider the payment of such wages and under such conditions as the Government of India may suggest, subject to those wages and conditions being comparable with those obtaining locally.”

That was in August 1922. The deputation left the Colony about the end of December 1922 and arrived here in the middle of January. The deputation met us about the last week of January, and at the first meeting of the Committee, as Honourable Members will see at page 32, the deputation informed this Committee; speaking in January 1923, the deputation stated—that is the non-Indian portion of the deputation stated:

“Current wages for day labour are approximately Rs. 2 per head for 26 working days.”

Therefore that comes to Rs. 52 a month. Current wages, Honourable Members will note the language. Therefore in January, 1923, the Committee were informed that the current wages were Rs. 2 a day:

“The Estate supplies quarters for married people, etc., and Government are prepared to pay the market rate for labour, which is at present Rs. 2 per head for efficient labour but are unable to offer a guarantee.”

The two Indian members of the deputation, who are now big planters, stated, as Honourable Members will find at page 33:

“All daily labourers can get Rs. 2, Rs. 2/8 and Rs. 3 at the present daily rates, the higher rate being paid at harvest time.”

So that the lowest rate was Rs. 2

Dr. H. S. Gour: No, the lowest was Rs. 1/8.

Rao Bahadur T. Rangachariar: The lowest for road-making was Rs. 1/8. Then the secondman, the Sardar says that he had to pay labourers Rs. 3, Rs. 4 and even Rs. 5. On this information the Committee acted; I think it was in the second meeting, with due regard to the cost of living as given to this committee—which Honourable Members will find at page 53—viz., Rs. 35 which includes Rs. 3 as rent for the quarters which these people allow—the rent of these quarters which is now Rs. 3 was only one rupee in 1914 for the same accommodation—a calculation was made. Now we argued: well, the cost of living is Rs. 38 and people have to perform a journey of twenty days from Calcutta as Honourable Members will remember. And having to go such a long distance and having regard to the wages in the presidency towns like Bombay, Calcutta and other places and having regard to the cost of living in the locality, we thought that a margin of Rs. 12 for saving in this distant place was only proper, also having regard to the wages prevailing there,

which was admitted, *viz.*, that in January 1923 the current wages were not less than Rs. 2 per diem; therefore, taking 25 days' work in a month or Rs. 50 per month a safe margin had to be allowed for the people who go there to make a decent living and saving. Although Honourable Members may be struck with the fact that these people get nearly Rs. 2 a day, they have to remember also the cost of living in that place which is Rs. 38, so that only Rs. 12 is left as a margin for their festivities and for old age and sickness and other things; so that the Committee thought that if they fixed this condition, that is, if any labour is unable to get this wage then he should be repatriated, that is how we resolved unanimously on the 30th January as Honourable Members will find on page 37, it would be the proper course; the permission should be subject to the condition that if any labourer now imported is unable for a period of two years after landing to obtain a wage of Rs. 2 a day which shall not include medical relief or quarters and satisfies our agent of this and wishes to return to India, he shall be entitled to repatriation free of charge. That was a very reasonable proposal we thought. Honourable Members will remember that at about that time the Ceylon and Malay States question came up for consideration in this Assembly and I am afraid that the attitude of this Assembly in reference to those colonies has influenced a slight backing away or back-sliding of this colony and going back upon the terms which they were prepared to offer at that time. Now, what has happened? Those who formed the deputation told us in January 1923, the Government told us in August 1922 and also in June 1922 that the current normal rate was Rs. 2 a day; we did not want to interfere with the market conditions in that place by putting in 1,500 families there. Honourable Members will notice the proposition is to send 1,500 adults; adults includes dependants and therefore you are sending 1,500 families which means nearly 3,000 or at least 2,500 labourers; so that you are introducing in a place where there is an Indian labour population an additional labour population of 2,500. Therefore it will have its economic effect on the law of supply and demand. Honourable Members will remember that in 1921 the average rate of wages was Rs. 82; in 1922 it fell to Rs. 50; so that the wages have already shown a tendency to fall and we do not want to introduce another factor to put pressure in the labour market and make the wages go further down. Therefore we thought it was a very good condition to impose, so that the people who go there will have something to save and it will not adversely affect the labour market there. That is what they say themselves; they say "If you fix this condition it will have a tendency to keep the wages at that level." I quite admit it. But you yourself admitted that that is the normal rate and therefore we are not introducing any new rate. You yourself having admitted that is the normal rate and that is the rate which you were prepared to offer, we do not want to reduce it. Then we met a second time; and although I was for taking a different course the majority of the members resolved, as Honourable Members will find at page 39:—"The remaining members considered that the criterion for repatriation should be the cost of living, calculated in the manner, and on the scale shown by Mr. Walter, *plus* Rs. 12". Very well, I did not object to that very much, although I was for fixing Rs. 50 per mensem. Now this was about the 3rd of February. On the 10th of February we passed our Resolution about the Ceylon and Malay Settlements. Of course, they went on pressing and we went on yielding. So it was a question of bargain; it depends upon who is able to stand firm. So the deputation perhaps thought that this Assembly was quite prepared to agree to whatever people from other

[**Rao Bahadur T. Rangachariar.**]

Colonies said, and they put more pressure on us, and subsequently they began to take a different attitude. Having told us on 23rd January that the current rate was Rs. 2 per diem, on the 12th and 14th February, Honourable Members will find we were told that the current wages had shown a tendency to go down. The deputation left in December, and met us in January. They told us that the current rate was Rs. 2 per diem, but on the 12th and 14th of February a new tale was unfolded which Honourable Members will find in the telegrams at pages 26 and 27 (12th February and 14th February, Nos. XV and XVI). We see there wages are going down further to Rs. 32, Rs. 30 and so on. This took us aback. We were told that Rs. 2 was the current normal wage, and we were told within a few weeks that the wages are showing a tendency to go down. I for my part am afraid that this negotiation itself for importing fresh labour after so many years' cessation is having its effect on the labour market there. I am afraid pressure is being put on the labour market there on the ground that new labour is coming there, and if the statements contained in the telegrams of the 12th and 14th February are correct, then that shows clearly that the tendency for the wages to go down is due to some extraordinary cause. It went down from Rs. 82 to Rs. 50 between 1921 and 1922, and again it went down from Rs. 50 to Rs. 38 which is the cost of living, and before we send our people there and place the people who are already there in a difficult position by adding this additional labour in the market there, the matter should require some consideration; it is true we are perfectly satisfied with the political conditions—the qualifications are equal—Honourable Members will see that no Indian has sought a place in the Legislative Council there because of their apathy, because of the nature of the population who are mostly coolies who went there. Although the Indian voter's list is 2,600 strong, out of about 8,000 no Indian was elected and only 2 Indians are nominated, and no Indian has been elected to the Council although there is nothing to prevent them from standing for election. All this is by the way. Now one Committee has already said that we will be affecting the Indians who are already there, and so far as the Indian population is concerned, we have no definite data to go by. The Indian population there did not like any new immigration; in fact there was a conference held there and only 2 Indians of those who are present, said that they did not like any new immigration. There is a queer reference to it in the Government's letter that the Indians are anxious to keep the wages high. Now what is the meaning of this reference in the Government's letter that the Indians are anxious to keep the wage high.

Mr. J. Hullah: Did the Honourable Member say there were only two Indians at that meeting?

Rao Bahadur T. Rangachariar: I did not say that.

Mr. J. Hullah: I am sorry; then I misunderstood.

Rao Bahadur T. Rangachariar: Two Indians accompanied the Deputation but they were planters, big planters as I have already said. What we are now concerned with is to find out how the small proprietors there will receive this and what effect this new addition to the labour market will have upon the large labour population who have to depend upon labour alone. This will have to be carefully investigated, and therefore I suggest that we may allow this emigration provided we are satisfied

that we do not affect the population there materially. We do not want a guarantee that they should get this rate of wages there. What we want is a guarantee that they should get a margin of Rs. 12 over the cost of living,—that is as per schedule, which they themselves have furnished. But that they are not willing to undertake. They want to take advantage of the fact wages are going down and this I think you should not allow to take place without a fresh inquiry by a responsible officer of the Government of India on the spot. Because real Indian opinion on the part of the labour population has not found any facility to come here and represent their side of the question. And, moreover, one or two Indians coming over here will not be able to give us that impression which an examination on the spot will disclose. There is a great deal therefore in allowing this matter to lie over. After all, it is now over 13 years since emigration was stopped and the matter was said to be urgent from 1921, so that a few months' delay will not in any way affect the question. On the other hand, we will be able to consider this question with our eyes open after a report from a responsible officer of the Government of India. Therefore, I think that, having regard to this sudden fall in wages, from Rs. 82 in 1921 to Rs. 50 in 1922, in January 1923, and all of a sudden to Rs. 35 or Rs. 36 in February, and whereas we have to pay higher wages, they show a tendency to rise here, there is not that fall, my own fear is that this very negotiation going on for the last two or three months or six months has had this effect and this is being used as a lever to force the Indian population there to accept smaller wages than they have hitherto been getting. That is my fear and reading of the situation. I therefore submit, Sir, that there should be an investigation of this part of the question. While I am in entire agreement with regard to the other matters mentioned by the Honourable Mr. Hullah, there is nothing lost by leaving this notification to stand over till an investigation has been made. I move my amendment, Sir.

The Honourable Mr. B. N. Sarma (Revenue and Agriculture Member): Before I proceed to the main question that has been argued with much ability by my Honourable friend, Mr. Rangachariar, I will make a few preliminary remarks. I do not think it is necessary for me to enter into any full discussion because we are all agreed that, so far as the past history of this Colony is concerned, it has been very satisfactory. It is satisfactory, I say, for this reason, that those who have settled down there have been able to acquire considerable property and a rate of wage which compares very favourably with that prevailing in other parts of this country as well as in other Colonies a wage higher than a living wage, taking the

low standard into consideration. If a Colony can make labourers 1 P.M. peasant proprietors, if it can give guarantees of ample food and clothing and also afford us a practical assurance that in a short time they would be able to become peasant proprietors in their own turn, I think it cannot but be said that the past history is a satisfactory one. But I do not think it is necessary to labour the point because the issue is somewhat differently put. There are no racial discriminations, there are no constitutional differentiations. The real point is, is there any need for labour in that Colony? Are labourers being demanded or being asked for, in order to depress the wage there or to satisfy the absolute imperative needs of the Colony which cannot be met with the assistance of the existing labour population? And what will be the result of our denying the assistance which is demanded by the Colony? I agree that the Government of India on previous occasions, accepting the recommendations of the Sanderson

[Mr. B. N. Sarma.]

Committee, were unable to see their way to sending labourers to Mauritius. But the Government of India as well as the Committee have fully examined again the question as to what the existing conditions are in order to see whether there is any demand for new labour or whether this demand is put forward only to depress the labour conditions in Mauritius and they have come to the conclusion that more labourers are needed for the purposes of that Colony. It has been proved to us—and Honourable Members will see that—that the area under sugarcane cultivation has gone up between the years 1911 and 1922 and that the number of labourers who are available for the sugarcane cultivation has been reduced. It has been said that at least one labourer would be required for 3 acres. There are at present 162,000 acres under cultivation. 54,000 labourers are therefore said to be the proper requisite for getting the best out of those 162,000 acres—for getting the proper yield and for proper cultivation, whereas the number of labourers has been reduced by about 9,000 as between 1911 and 1922. That is, there were more labourers available in 1911 for the cultivation of a smaller area and the Committee was satisfied therefore that a larger number is required to carry on efficiently the sugarcane cultivation which is the main staple crop of that Colony. Honourable Members might ask why the number of male labourers should have been reduced as between 1911 and 1922. The reason is simple. A number of the old indentured labourers have in the ordinary course of nature disappeared from the scene of their labours. The number of adult labourers therefore has been reduced considerably. Some of them have also taken to other occupations and the net result is that the number of labourers between the ages of 20 and 49 is at present only 30,907 and the members in charge of the agricultural department from Mauritius have told us that about 54,000 would be the proper number for the adequate cultivation of that area, but I shall not labour this point further. There were one or two reasons which induced the Government of India and the committee to consider that there was a real need for labour. Large irrigation works have to be undertaken. A sum of 1 crore 40 lakhs which is available for public works including irrigation works has to be spent, and it is proposed to be spent over a period of ten years, it has been proved that the existing labour population is inadequate to carry on efficiently even the present area under sugarcane cultivation. Therefore if another additional 50 thousand acres of waste land are to be brought under cultivation and if these public works are to be undertaken, the existing labour population would certainly be inadequate, inadequate as it is considered even for present purposes. The main point that was urged was that the new labourers might take out of the mouth of the existing labour population their bread, may compete with them and consequently depress the labour market. We feel that there will be no such danger whatsoever because the men that are to go from here would not be engaged on the same work, except that they would be free to do so if they liked, but have got new work allotted for them and consequently for the same quantity of work an additional number would not compete and we therefore felt that there was no danger whatever in allowing a small number to go from India. What would be the result of our refusing to grant assistance that is so sorely needed by the colony. I think the effects would be disastrous from the point of view of the Indians themselves who are settled there. It may be that the ignorant labour population may grumble. It may be so. I am not stating that it is so. Let us take a long view of things and consider as to whether it would not be to the advantage of the

existing Mauritius Indian population to enable them to live under healthier conditions, to enable public works to be built when the money is there, to bring new land under cultivation which would be shared by them and possibly by the new emigrants from India and consequently the Government have felt and the committee have felt in the earlier stages that they would be doing the right thing to assist the colony by the supply of a small labour force and that they would be jeopardising the true interests of the existing population itself by refusing the assistance that has been asked for. Now, Sir, I come to the question as to whether Government should really ask and this House can ask for different terms than those proposed in this notification. Honourable Members will remember that we are no longer dealing with an indenture system. If we could guarantee the labourers that go from here to the Government then a different set of considerations would arise. The Government could say, we will pay the 45, or 50 or 60 rupees per labourer and we can fix him by means of a contract. But we have deliberately set our face against the continuance of the indenture system. The labourer is now a free man. When he lands there he can work under the Government or under a planter or earn his living in any way he likes. There is nothing to tie him down to Government work or to work for a planter. Consequently, it will not be possible for this House or for the Government of India to fix any rate of wage which must be guaranteed over a period of years. Honourable Members will see the difficulty under which we have to work the new system. That being so, we have to satisfy ourselves whether when these 1,500 men go there they will really be confronted with a situation in which they would not only be unable to seek their living on proper lines but would be compelled to accept such a low wage as would really handicap them. The only way out was to stipulate with the Mauritius Government that they would repatriate unconditionally any labourer whenever such a state of things obtains in that colony as would compel a labourer to work without getting a living wage with some reasonable margin. The only way out therefore was to provide a repatriation clause under which this would be guaranteed to the labourer who goes from here, and such a repatriation clause has been provided for. At the end of two years a labourer will be entitled to demand repatriation, whether he can earn a living wage plus a reasonable margin or not. And further, before the end of the two years if he can satisfy our agent whom we hope to employ there that he cannot earn a living wage *plus* a reasonable margin, then also he would be entitled to be repatriated at the expense of the Colony. I suggest to the House that that is a very reasonable position, while the fixation of a definite sum, such as Rs. 12, would not be quite the best thing to do, especially since we have to deal in this Assembly with broad principles and not details. Honourable Members will understand that we have to determine the principles here and leave the working out of the details to the Executive Government. And any principle which we may apply to this case would ordinarily be applicable to the other Colonies also. We cannot fix as a Legislature Rs. 12 in the case of Mauritius, Rs. 5 in the case of Ceylon, Rs. 3 in the case of the Straits Settlements and Rs. 4 in the case of Fiji—I am only giving hypothetical figures. What we can insist on is a living wage *plus* a reasonable margin and here I think the Committee have done as much as they could in asking for a living wage not only for the man himself but sufficient for a wife and three children besides. That is a new principle and a principle I think which would help the labourer considerably in his struggle in this as well as in other Colonies, and I would draw the attention of the House to the supreme importance of the acceptance of this

[Mr. B. N. Sarma.]

principle as a line of policy which we are initiating for the first time in dealing with Mauritius.

Now, coming to the question whether the negotiations which have been taking place here have not really depressed the labour market there and are not calculated to depress the market further, and whether the reason for the Colonial Government stating that they would not be able to agree to Rs. 12 wage is the one suggested by the Honourable Mr. Rangachariar, we shall have to take two or three points into consideration.

We have been told by Mr. Walter and the other Members as well as by the Indians who came here that the wages fluctuate remarkably in that colony in the busy season and in the busier season. The fluctuation is between Rs. 1½ and Rs. 3½ and even Rs. 4. At the time when the Colonial Government addressed us, it was about Rs. 50, and we were told that the cost of living as then computed in 1921, was Rs. 38-8. We have asked the Colonial Government as to what this means as to what the state of prices is at the present moment, and we have got information to show that during this period there has been a fall in prices to the extent of about Rs. 10—that between 1921, when it was stated that it was Rs. 38-8 and the period we are now thinking of, that is at the present moment, the cost of living of a man, woman and three children, we are told now, has fallen from Rs. 38-8 to Rs. 28-8. That accounts really

Rao Bahadur T. Rangachariar: May I draw the Honourable Member's attention to page 51, the fact is, the note is added on the 20th February, 1923, to the table,—page 51, at the bottom, the note added on the 20th February? This explanation is only added after the meetings were over.

The Honourable Mr. B. N. Sarma: I was anxious to know as to what these fluctuations mean, and before I came to this House I wanted the Colonial Government to supply me with figures showing what the actual cost of living is at the present moment because I wanted to be satisfied as to why it was that they stated that the wages obtaining in the market at that time were about Rs. 30 or Rs. 32, and in answer to my query the Mauritius Government has kindly supplied us with information which would show that this fall in prices has been due to . . . (*An Honourable Member:* "Since when"?). The papers were put up to me yesterday; I think Mr. Hullah obtained the information only very recently, it must have been two or three days ago. I think it was after those papers were printed off,—that is the reason I had this information given to me last evening; and I am mentioning them to show that the Colonial Government have not assumed an unreasonable attitude in the matter and that the effect of the discussions on the Ceylon question were not really the factor which influenced or could have influenced the attitude of the Colonial Government in this respect. Honourable Members will find at page 53, that there is a fall of nearly Rs. 5 in the price of rice—it is no wonder—what Mr. Walter gave us was the prices in 1921, and Honourable Members will realize that there has been a considerable fall in the price of rice since 1921; so then we were proceeding on the basis of the 1921 prices, and we are now proceeding on the basis of the 1923 prices; there has been a fall of Rs. 5 there, a fall in the price of *dhal* of about Rs. 1½; I need not go into all the details, the total works out at

Rs. 10 less, so the cost of living for a family is Rs. 28-8 as against Rs. 38-8. That accounts really for the Colonial Government being cautious in their attitude as regards the fixation of a specific sum which must be guaranteed as a condition of repatriation. They are willing to accept the principle, and we can proceed only on general principles, so long as we are satisfied that the acceptance of the principle, if translated into action, is not likely to prejudice either the existing labour population in Mauritius or the man that goes from here. There is one point, Sir, I would ask the attention of the House to, and that is this. What we are now dealing with is the question of minimum and not the question of maximum or the question of the wage which would be earned by the labourer hereafter in Mauritius. The minimum was Rs. 1½ as Honourable Members will notice. The maximum was Rs. 3½ or Rs. 4. That is, when there is the stress, when there is demand for labour, labour is able to dictate a higher wage and it gets it. It will be able to do so exactly in the same way hereafter also, because there is nothing to prevent the labourers, either now there or those who will be going there hereafter, from dictating the wage on which alone they would work, provided we do not over-stock the labour market. But we have already tried to show that we are not likely to over-stock the labour market, because if the Mauritius Government are going to undertake the new works costing Rs. 140 lakhs, if they are going, by means of irrigation works, to bring in another 50,000 acres of waste under sugarcane cultivation, surely it follows necessarily that these men, small as they are, only 1,500, would not be able to do even the new work that lies before them. Therefore, the labour market would be exactly in the same position, it will perhaps be in a better position, by reason of the new works which are contemplated by the Colonial Government. I would therefore put it to the House that the conditions that are adumbrated are likely to improve the condition of the existing labourers and the labourers that are going from here, and that what we have to see is that the labour market is not over-stocked. Then, if we cannot fix a wage because we cannot guarantee that these labourers would work only for the Government or would work for the planters, what is the other course open to this House and to the Government? The provision of a minimum, the non-receipt of which would entitle them to repatriation. The only point, then, before the House is whether it ought to be Rs. 12, or Rs. 10 or some indefinite sum which is to be fixed by the Government; it may be in excess of 12, it may be smaller than 12, but it will be some sum which ought to be determined in relation to some accepted principles. If the Government of India find that it should be more than Rs. 12 and the Mauritius Government are not going to accept it, then no emigrants will go from here. I am not suggesting that there is that possibility or probability. All that I am saying is that we shall have to accept the margin as a margin for what?—for sickness and for old age and such other things. We shall, therefore, have to proceed upon some data, some scientific data, which would give us on an insurance basis the amount that would be required in the case of these labourers as a provision for sickness, old age and other contingencies. The Government of Mauritius or the agent of the Government of India would communicate to us, what the margin ought to be, and it would be determined between the Mauritius Government and the Government of India. It is impossible for us as a House to determine what the margin should be. Honourable Members will also see that this has a very great bearing upon the determination of the margin with reference to various other colonies also. What is the ground upon which this Rs. 12 has been asked

[Mr. B. N. Sarma.]

for? This Rs. 12 has been asked for because Rs. 38 was the living wage and Rs. 50 was the wage of the labourer at that particular moment. Therefore, Honourable Members said that Rs. 12 shall be the reasonable margin. But it may not be a reasonable wage, reasonable margin, supposing insurance money for sickness and old age happens to be a larger sum having regard to the fall in the living wage.

My position really is that the question of a margin should be determined by some scientific principles. I will not say there is anything very scientific in this matter, but I mean some basic principles of action which would be applicable to all colonies alike, and that the House would be doing the right thing if on a matter of that kind they left the margin to the Government to settle. It is always open to this House if the Executive do not exercise their discretion correctly, to take the necessary measures for the purpose of preventing any evil which may be growing up. After all I would suggest that the cost to the Government of Mauritius of employing an agency and of taking these 1,500 men will be a very large sum. They are not likely to pay as much as 150 or 200 rupees per labourer unless they are really wanted there. That is a point I would like to press upon the House. The Mauritius Government is not likely to spend Rs. 200 or 250 per labourer at the risk of having to repatriate them at their own cost within two years, and certainly after two years, unless there is real work which has to be given to them the moment they go there. And if there is new work to be given to them, I would suggest to the House that there is no danger whatsoever of the labour market being depressed by this small number being allowed to go there. What is the Government Officer going to report on at the present moment? It is only experience that will tell us whether our expectations are going to be realised or not. If the fluctuations in the market price of labour are as wide as a rupee and a half and three and a half rupees, a few months' stay in the island would not enable him to tell us what it is going to be. Therefore the Committee fixed on the small number of 1,500 and that only for one year in order to watch the effect of the new immigration upon the existing local market. They have deliberately given to the Mauritius Government only a small number with a view to watching the effect on the labour market there before a larger number is sent of the 7,000 men that were asked for. Government are as anxious as any Member in this House to see that the Indian population there is not prejudiced. We do not want to get rid of labourers from here. That is not in the slightest degree the wish of the Government or of any Member of this House. We want to safeguard the interests of the existing population of Mauritius, which may be truly said to be an Indian colony, and we feel that it would be prejudicing the interests of that colony if we did not supply the small number which that Government has been asking for continuously for the last many years. 1,500 is not a large number. The effect thereof will be watched with care by the Government and, as already stated, we are not going to agree to a single labourer leaving the shores of India until we are satisfied that the wage he would be able to get is a fair wage. All that we are asking is that this House should accept the principle and leave the working out of these principles to the Executive Government, and having regard to the observations made in this House, the Government would endeavour their level best to ascertain the conditions in Mauritius before they took action

Mr. B. S. Kamat (Bombay Central Division: Non-Muhammadau Rural): How?

The Honourable Mr. B. N. Sarma: How? By means of such inquiries as may be possible. It may be that if on further inquiry we feel it is necessary, we may have to send an officer. I am not going to say that the Government will not find on further examination that it is necessary that they should know the exact state of things. All that I am asking is that we should not be bound down to a particular policy. We have got the interests of the labouring population at heart and if we are not satisfied with these wide fluctuations, we shall ourselves embark upon an examination of the question by sending such officers as we desire to see that neither the new immigrants nor the existing labouring force is prejudiced by any action that this House may leave it to the Government to decide. The reason why we have been obliged to place this question before this House at such short notice is that we may not have an opportunity in the near future of asking the House to agree to this notification, and it may be a very long time before we might be able to do so. It is undesirable, especially having regard to the fact that we shall have to postpone indefinitely the execution of public works in Mauritius, which would be very helpful to the Colony, to delay, if delay can be avoided; but Honourable Members may rest assured that we will not hurry in this matter so as to prejudice the interests of Indians already in that Colony.

Mr. President: If Honourable Members wish to continue the debate, I think we had better adjourn now till Twenty Minutes to Three.

The Assembly then adjourned for Lunch till Twenty Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes to Three of the Clock. Mr. President was in the Chair.

Mr. B. S. Kamat: Sir, with reference to Mr. Rangachariar's amendment, I am sorry I cannot agree with him either in his motion or his arguments and inferences. What he wants is that this question should be postponed pending an investigation on the spot by an officer of Government with an idea of finding the probable effects of immigration of fresh labour into the Colony of Mauritius. He bases his argument for postponement chiefly on the ground that he apprehends an influx of labourers that is affording from India to Mauritius.

That raises, Sir, two or three distinct issues: in the first place, whether there would be really an influx; in the second place, whether this stage of the negotiations is an opportune moment—whether it is not too late at this stage, I mean, to open up that point; and thirdly, whether we have to look at the whole question from the point of view of the inconvenience to the settlers in Mauritius or whether we have also to look to the prospects and the interests of the labourers who will go from India to Mauritius.

Now, taking one of these points first, namely, about the propriety of starting this issue at this stage, I for one, Sir, think that Mr. Rangachariar, who was a Member of the Emigration Committee, should have raised this point about the influx and its probable effects much earlier. These negotiations have been going on for something like two years, I

[Mr. B. S. Kamat.]

believe. From the correspondence it would appear that the Government of Mauritius re-opened negotiations about fresh labour from India so far back as April, 1921, and the matter has been pushed backwards and forwards—telegrams, cables, correspondence, etc., passing between the two countries for nearly two years. They also called out a deputation to meet this Emigration Committee, and it seems to me, if at all, Mr. Rangachariar wanted to raise this question of whether 1,500 labourers would flood the country to the detriment of the settlers there, he should have started this point as a preliminary point in the Emigration Committee before calling a deputation to come all the way here. If for any reason, either political or general, he thought it was undesirable to send even 1,500 people from here to Mauritius, well, he should have said it was undesirable to do so at the very beginning, and by a stroke of the pen it is open to us to say we shall send no more labourers to that country. It is too late in the day in my opinion for this Government or for this Assembly to open up that point now after all these negotiations and after practically coming to a definite conclusion with the Government of Mauritius now to say that we wish to hold another inquiry into that subject is, I believe, to make the position of this Assembly and even of the Government of India rather—well, if not ridiculous, at least unfavourable in the eyes of the world.

Rao Bahadur T. Rangachariar: Sir, will you permit me to make a correction. If my Honourable friend will refer to page 37, he will find that even at the very first meeting we raised this question and that we were very apprehensive of the influx of this labour and that is why clause 4 was added at page 37.

Mr. B. S. Kamat: If that question was raised, still, as further negotiations were carried on I take it that the question of the result of this influx was waived, and that these 8 or 9 conditions were acceptable to the Committee. The Committee cannot now go back to the first preliminary issue and raise that point again here.

Now, secondly, he wants to find out the probable effects of this influx into Mauritius. I wonder how that is practicable at all. Even if a Committee goes there, or a Government officer goes there, how can they in a week, in a month or even in two months find the probable effects of the influx of 1,500 people on the market rates of labour there? If such a Committee or a Government officer examines the labourers there they will probably give him one view; they will naturally say "we do not want any more labour to come in at all" and if the Committee examines on the other hand the capitalists, the employers of labour there, they would desire as many more as is possible. In fact, it would be very difficult for any man or any committee to gauge approximately and forecast the result of 1,500 people going there, whether it would be adverse or favourable. In fact any opinion formed would be so vague, so indefinite, and without any practical value that I do not think it is possible to gauge the probable effects of it even supposing we decide to have a committee of inquiry into Mauritius conditions. Therefore I do not think it is necessary to press for an inquiry at this stage. The results of such inquiry would be impracticable and of no earthly use whatever for the determination of the question we have in view. Mr. Rangachariar further told us that he looked at this question from the point of view of those who have settled in Mauritius. I beg to differ from him. The Government of India and

the Legislative Assembly must not take only a one-sided view about what would be the effect on the settlers there; we have also to look to the interests and the prospects of the people who will go from here. We must keep an open mind on this question. Mr. Rangachariar thought that there would be a depression of rates there and probably these 1,500 labourers who would go to Mauritius would find themselves in a very bad plight. I for one think that the position of the settlers in Mauritius at the present moment—at least looking at this report—so strong that there will hardly be any effect by the addition of only 1,500 labourers. Mr. Rangachariar has only to look at one or two figures in this report to see in what strong position the settlers are at the present moment in Mauritius. We are told here that the real property which changed hands, that is which was purchased by the Indian population there during 1921 was no less than a crore of rupees in value. Now if a population of say 260,000 can really buy property worth a crore of rupees in one year they must be in a very strong position indeed; I doubt, Sir, whether even in South India or Madras Presidency one district or two districts or even three or four districts put together can show such a good result and such a very strong position of the coolies there. If that is the state of things,—why even further on there is another statement in this report that during the last five years ending 1920 the settlers in Mauritius have bought land which is worth Rs. 29½ millions, or nearly Rs. 3 crores. I doubt I say whether in Southern India you can show such a strong position among the labouring classes, that they can purchase in five years Rs. 3 crores worth of land. If that were to be so, I am sure many of the representatives from Madras would not come here, moaning and beseeching this Assembly for a reduction in the provincial contributions.

That being the strong position in which labourers settled in Mauritius are, I doubt whether 1,500 more people would ever affect their position at all; they would be a drop in the ocean; and therefore the fears of my friend, Mr. Rangachariar, are rather misplaced.

He further went on to show that he has a shrewd suspicion that there was the change of front or change of attitude either on the part of the deputation or on the part of the Government of Mauritius with reference to the fixing of a standard minimum wage. I do not know what basis he has for drawing that inference or having that suspicion. I do not know any of the Members of that deputation here, neither was I on the Emigration Committee; but reading this report carefully I find no such ground for believing that there was any backsliding or anything to draw a definite inference that there has been a change of front. Mr. Rangachariar laid stress on the fact that a telegram from the Government of Mauritius came to the Government of India dated the 12th February, and that probably this being after the debate in this House on the 10th of February there was some sort of hidden connection between the event which occurred on the floor of this House on the 10th February and the receipt of that telegram dated the 12th. If Mr. Rangachariar sees that the Government of India had sent a telegram to the Mauritius Government on the 6th February and that this telegram of the 12th is in reply to that telegram of the 6th, I do think that it is not possible to draw any inference from those dates adversely to the Government of Mauritius. Indeed, I doubt whether the deputation could send a telegram after the debate here on the 10th which would be on 11th, and the Government of India could get a reply from the Government of Mauritius on the 12th. Therefore, too much stress cannot be laid on the two dates of 10th and 12th February.

[Mr. B. S. Kamat.]

Then my friend Mr. Rangachariar went on to show that the deputation at one time told the Committee here that the minimum amount of wages which labourers earned in Mauritius was Rs. 82, subsequently they came down to Rs. 50, and that at present they are not prepared even to accept Rs. 50 and therefore he seems to think that there was some mysterious sort of attitude on the part of the deputation here. In reference to this, Sir, I find on page 33 that the deputation had distinctly told the Emigration Committee that all adult labourers can get Rs. 2, Rs. 2-8-0 and Rs. 3 at present as daily wage, the higher rate being in harvest time. They went on however to make it clear and to say further that the lowest rate was Rs. 1-8.

Rao Bahadur T. Rangachariar: For road making.

Mr. B. S. Kamat: At any rate, they had not concealed that the rate was Rs. 1-8, and if this is a fact, and if the deputation had distinctly given the Committee to understand that the lowest rate in one particular trade at least was Rs. 1-8, I do not think it is fair to accuse the deputation that they did not give us proper information.

Then Mr. Rangachariar quoted another paragraph about the current wages. There again the deputation had distinctly said that Rs. 2 was approximately the current wages per day for 26 working days in the month for daily labour and Rs. 32 per month for engaged labour. Here also they had told the Committee that Rs. 32 was the current wage in Mauritius under certain circumstances. Taking all these things into consideration, I do not think there is room to say that there has been back-sliding on their part at the present moment.

I now come to the question what is the desirable thing to do. Mr. Rangachariar says that he is in favour of a fixed scale. He wants the Mauritius Government to be committed to Rs. 50 as the minimum standard, Rs. 38 to cover the cost of living and Rs. 12 to be the margin of saving. I put it to the House which is the better course? Should we insist on a minimum wage and arbitrarily fix the sum of Rs. 50 under the idea that the present cost of living being Rs. 38 a man will be able to save Rs. 12, or should we go in for elasticity? The question to be decided is whether it should be a fixed scale or elasticity, which is the better principle? I for one think that elasticity is a better principle. If we arbitrarily fix that Rs. 50 should be the minimum wage, it will depend entirely on the cost of living for the moment. The cost of living may go up or go down, so also the margin of savings. After all, whatever one's expenses per month may be, what I look to is how much one has saved. If I get Rs. 500 per month, and if I spend Rs. 450, I consider that my net gain is Rs. 50. If in the next month I earn Rs. 600 and if I have to spend Rs. 550, the net gain is still Rs. 50

Rao Bahadur T. Rangachariar: There again I must correct my friend. The proposal is not to fix Rs. 50. It must be the cost of living *plus* Rs. 12.

Mr. B. S. Kamat: Whatever it is, the principle remains. The Government of Mauritius are prepared to commit themselves to fixing the basic wage *plus* a reasonable margin for saving. Mr. Rangachariar wants a definite figure—which might be Rs. 50 or anything—he wants a definite figure to be laid down for all time to come as a limit.

Rao Bahadur T. Rangachariar: No, no. That Rs. 12 is the margin of saving.

Mr. B. S. Kamat: I don't think there is any advantage in committing oneself to any set figures in respect of the cost of living and a particular margin of saving. We should leave it elastic. Supposing a Government officer who is to be sent to Mauritius says that the margin of saving should be one-fourth of monthly earnings and if at any particular time the man is able to earn, say Rs. 60, if one-fourth is fixed as the margin of saving, he will be able to lay by Rs. 15 instead of Rs. 12. Why fix Rs. 12? In any case, therefore, I am for elasticity rather than fixity, even in the matter of the margin of savings for these people. And then again, as the Honourable Mr. Sarma put it, when we are sending these people for Government work, we must remember that, after all, those settlers for whom Mr. Rangachariar is speaking will be benefited by the labour of these 1,500 additional men, in the shape of the sanitary works and other things for the development of Mauritius in which they will participate. After all, what Mr. Rangachariar now wants to do is to keep the standard of living of the settlers there in precisely the same position as they now have without improving them whatever. What the Government of Mauritius want to do is to have large development works with the assistance of 1,500 men from here so as to give a better standard of living for all those settlers already there. I think we ought to send these 1,500 men not only in their own interests but also in the interests of the settlers because they will be able to develop the country, so that the standard of living of the settlers will be much higher than it is at the present moment. For these reasons I think we ought to accept this Draft Convention as proposed by Government in the precise form in which it is put forward.

Mr. K. B. L. Agnihotri (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I gave notice of an amendment more or less similar to that of the Honourable Mr. Rangachariar, but with this difference that Mr. Rangachariar proposes to send out a Government officer to inquire into the condition of Indians in Mauritius, while I propose a Committee of inquiry consisting of two or three or such number of persons that the Government may think proper. Therefore, Sir, with your permission, I would rather like to amend the amendment of Mr. Rangachariar than to amend the Resolution as I gave notice. I move the amendment in this form:

"In Mr. Rangachariar's amendment omit the words 'an officer of the Government of India' and insert the words 'a committee into the conditions of the existing Indian labourers in Mauritius and'."

The Honourable Mr. Sarma, while defending the attitude of the Government in permitting emigration of 1,500 people to Mauritius, said that the number of labourers we propose to send was not so large as to affect the labour conditions of Indians already settled in Mauritius. But I venture to submit that he seems to have forgotten the economic principle of supply and demand. May be that this emigration may not affect their condition to such an extent as to be described as disastrous to the interests of the Indians there, but I cannot believe that the emigration of these 1,500 or even a thousand persons would not affect their condition at all. The Honourable Mr. Sarma went on to say that in Mauritius there was a very great need for the labour from this country. I may take the liberty to inform him that, even in this country, the Assam Tea Garden and other planters who require labour for their work are always in constant need of labourers, so much so that they also have to pay very large sums for recruitment of labour for their plantations. This would not mean that

[Mr. K. B. L. Agnihotri.]

India had not sufficient labour to supply to the Assam Tea Gardens or the planters in Bihar or other places in India. It is thus fallacious to argue that because there was a demand for Indian labourers from this country or that there was need for labourers there. The conclusion should necessarily be that there are not enough men in Mauritius to do the work of Government or in the sugar factories.

Sir, the Honourable Mr. Sarma as well as the Honourable Mr. Kamat have based their opinion as to the need and desirability of sending labourers from this country on reports and evidence supplied to us by the Honourable gentlemen who came down from Mauritius as well as on the Despatches of the Governor of Mauritius, but we seem to forget that the Government of Mauritius as well as these gentlemen who came to this country to give evidence were all interested persons and none

3 P.M. of them represented any independent body of Indians in Mauritius. Mr. Kamat also said that "How would it be possible for the Committee or any Government officer to find out the actual condition of Indians in Mauritius within a short space of a week or 10 days or a month's stay". I would only reply to Mr. Kamat by a counter question as "How could it be possible for us to form any opinion on the mere evidence and reports of interested persons as to the actual condition of people who have gone over from this country to that country?" We should not be led away by the evidence of interested persons and the papers that have been put before us. It is desirable that some further inquiry be made before we can allow any emigration from this country. As to the need for an inquiry the Honourable Mr. Ranganariar has also spoken at very great length and made out a case which has not been successfully refuted by the Honourable Mr. Sarma. How do we lose if we allow an inquiry to be held in that country by a deputation or by a Government Officer, it may not take more than, say, 2, 3 or 4 months? If these people in Mauritius could wait for so many years from 1915 to 1923, they can very well afford to wait for about four months more and moreover the inquiry will give us a more satisfactory idea of the condition of Indians in Mauritius and we shall not be committing a mistake if thereafter we were to send our people to work for the benefit of the Government or the settlers in that country. I am of opinion that an inquiry is absolutely essential before we go against the principle which we adopted so far back as 1909 of stopping all emigration from this country to that country. Sir, it is common knowledge that Indians in general deprecate the idea of emigration from this country to any place whether they find that Indian labourers will not have better wages and better conditions than what they are getting in this country. It has been pointed out by some gentlemen that Indian labourers would be better off in that country because there was a possibility of their getting wages of Rs. 2, 3 or even Rs. 4 a day. But I am afraid those gentlemen forget to compare the difference in the cost of living in this country and in that country. It may also be said, as was said on the last occasion when we permitted emigration to Malay and Ceylon, that people would not migrate to that country if they thought that the conditions there were not favourable to them or that they would only migrate when they were satisfied that the conditions were much better and superior to those prevailing in this country. But I think that this is not a proper thing to rely on, because, we have seen from our experience in the past that the people from this country went to that country on similar considerations that they would be better off there, but what was the result? We found their conditions actually much worse, than what it was here or that the further

emigration would make it worse and we had to stop emigration. There was a very strong opinion in this country against emigration to countries like Fiji, Mauritius and so on.

On the other hand it may equally be said that persons who want the labour to migrate to their country, be it Fiji, be it British Guiana, be it Canada or be it any other place, are sure to paint very bright pictures of the condition of the people settled there and it is not only the poor and illiterate persons that are carried away by such bright prospects and conditions but even the educated people are sometimes duped by the propaganda work done by a interested group of persons. It may just as well be possible that the evidence before us be only a one-sided and a garbled version and be quite different from the actual state of things in that country. It will do no harm to anyone if we were to ask for a deputation to be sent to that country to find out the actual conditions there. Sir, I would be satisfied if even one Government officer or a non-official Indian were to go to that country to find out the conditions of Indians and the possible effect of emigration, but I think that the country in general will not be satisfied with the deputation of a Government official alone. I do not mean to say that the Government officials who were deputed in the past to inquire into the conditions of labour and Indian settlers overseas have done in any way any harm to the Indian interests or have not done so well as an Indian would have done while on the other hand we are deeply grateful to those Government officers like Sir Benjamin Robertson or Mr. Corbett who went in the past from this country to South Africa and other places and who have done their best to better the conditions of Indians, they had as much interest of Indians at heart in all their inquiries as any Indian could have, but in order to pacify the strong public opinion against emigration and also as a sort of propaganda work and to remove the prejudice against emigration which exists in the minds of people in this country, it is more desirable that a deputation consisting of an official and non-officials be sent to make the necessary inquiries. There is also some principle involved in it. We find in the courts of law that a judgment of a Bench or even the judgment of opinions of two or more persons is generally considered more weighty and in many respects is more acceptable than the judgment or opinion of a single person however good and sound that opinion may be. It is therefore desirable and necessary, that a deputation of two or more persons should go instead of only one Government officer as proposed by Mr. Rangachariar.

It may be said that in the case of Ceylon and Malaya we did not insist on sending out any officer or deputation to inquire into conditions of Indians there, but the case of Ceylon and Malaya is different from Mauritius. Ceylon and Malaya are close to India. Everyone here more or less knows the conditions of Indians in those places whereas in the case of Mauritius it is far away from India and it is very difficult to find out the actual conditions from here. The Honourable Mr. Kamat asked how can an officer or deputation find out such conditions simply by examining the representatives of labour or the representatives of capital? I would reply that it is more possible that by closer contact with the persons there they would be better able to find the actual state of affairs in that country as to how the labourers will benefit by emigration and how the Indians already settled will be affected. It is necessary therefore that a deputation should go. I just remarked a few minutes ago that I would rather prefer an Indian to an European for such inquiry. I do not thereby mean to imply that an European officer would not look to our interests better than an Indian but I

[Mr. K. B. L. Agnihotri.]

think that the Indian labourers will be more confiding and will have more confidence in an Indian officer or an Indian deputation consisting of Indians than in Europeans. They would not have the courage to approach the European officer and will hesitate to speak out their grievances freely to him. Moreover the Indian going there and knowing as he does the customs and habits and manner prevailing in this country will be in a better position to understand the conditions there than the European. I therefore submit that it is desirable that a Committee of inquiry be sent to Mauritius rather than an individual to inquire into the conditions of people and the effect of any fresh emigration before we permit the emigration of persons from this country to that country. With these words, Sir, I move my amendment.

Mr. President: The question is that the following amendment be made:

"In Mr. Rangachariar's amendment omit the words 'an officer of the Government of India' and insert the words 'a committee into the conditions of the existing Indian labourers in Mauritius and'."

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): Sir, I have heard with interest and attention the speech of my Honourable friend, Mr. Agnihotri, and I do not at the present moment propose to take the House into the details of the various letters and telegrams that have passed between the Government of India and the Mauritius Government. That I leave in better hands. I will only draw the attention of the House to certain broad facts which are admitted on all hands. The facts are that the terms under which it is proposed in the Government Notification to permit the emigration of 1,500 adult labourers to Mauritius are that the Government of Mauritius undertake to provide the food and clothing of the labourer, his wife and three children, *plus* some margin of profit or saving if you like to call it. This much is admitted. The bone of contention is whether we should fix the margin at Rs. 12 more or less or leave it to the Government of India to decide the point. I would like to ask my Honourable friend, Mr. Rangachariar and Mr. Agnihotri, if they can say whether in their opinion or in their experience they have found any unskilled labourer in this country earning sufficient wages even to maintain himself, his wife and one child, not to speak of three or four. The question we are to consider is not what will be the effect of this emigration on the people who are settled in Mauritius, but what will be the effect on the people whom we are sending from this country to that. There is another question, Sir. From the speech of Mr. Agnihotri I understood that the question before the House was the condition of labour and capital in Mauritius itself and not whether we are to send 1,500 men or not. If conditions are bad in Mauritius that is not our business. So far as this House and this question is concerned, that is not under consideration . . .

Mr. President: I would draw the Honourable Member's attention to the fact that that is the proposal in the amendment moved, and that the issue before the House now is the method by which that inquiry is to be conducted. So long as Mr. Rangachariar's motion and the original Resolution were alone before the House, the whole question was open for discussion. But once the additional amendment by Mr. Agnihotri was moved and put from the Chair, then the issue was narrowed down to the method by which the inquiry is to be conducted. If the House does not wish to discuss that issue I had better put the question.

Rao Bahadur C. S. Subrahmanayam (Madras ceded districts and Chittoor: Non-Muhammadan Rural): Sir, I do not understand what this inquiry would elicit and what light it would throw on the matter. Now . . .

Mr. President: The Honourable Member has not quite understood. We must assume for the purposes of the discussion as restricted by Mr. Agnihotri's amendment that there is going to be an inquiry. That is only assumed for the purpose of debate. The question is whether it would be better carried out by an officer of the Government of India or by a Committee. I think I had better put that question. Does the Honourable Member wish to discuss it?

Rao Bahadur C. S. Subrahmanayam: Yes, Sir. The question is what is going to be the constitution of the Committee? How many are to go from here? What is to be the cost of the Committee? Have we not in the Retrenchment Committee's report the remark that too many Committees have been appointed and something like 60 lakhs spent on them, and with what results? Is not that a fair question? Besides, suppose a Committee, that is, a number of men go from here to Mauritius, what are they to do? Go and examine the coolie lines and ascertain the wages drawn there? Can we not get all that information through a single individual going there? Why do we want a Committee to sit on this matter? I think time was when we were very fond of Committees, but now it appears that we are not very much in favour of Committees. A good many people are not satisfied with the labours and the results of Committees or the fruits of those labours. Therefore, Sir, from that point of view I do not think this question of a Committee should be pressed. As that is the only narrow point on which I am now allowed to speak . . .

Dr. H. S. Gour: May I rise to a point of order? I understood the Chair to rule that only the narrowed question as to whether it is going to be an official inquiry or a non-official inquiry is now before the House. May I point out to you, Sir, that if the House decides on Mr. Rangachariar's main amendment, that there should be no inquiry at all, it will be supererogatory to go into this further question raised by Mr. Agnihotri, and I therefore suggest that the main question should now be debated and decided upon, and if it is decided by this House that there should be an inquiry, then it will be open to the House to discuss the further question as to the form of that inquiry. I therefore suggest, Sir, that it would be convenient to the House that we should discuss the broad question whether there should be an inquiry or not, and then go into the further question if necessary.

Mr. President: There can be no decision as to whether there shall be an inquiry or not until I put the issue raised by Mr. Rangachariar's amendment against Mr. Hullah's original Resolution. After that is once decided, no further debate can arise, and therefore, as I said, we must assume that there will be an inquiry for the purposes of the debate on Mr. Agnihotri's amendment; as to whether that inquiry should be conducted in one form or another, the Honourable Member will understand that the debate will be closed if I put Mr. Rangachariar's amendment against the Resolution.

Dr. H. S. Gour: That is exactly, Sir, what I suggest should be done, and under the Standing Orders . . .

Mr. President: If the Honourable Member's meaning is that, he had better move that the main question be now put, and the debate will come to an end.

Rao Bahadur O. S. Subrahmanayam: So I understand, after the decision of this simple matter, there will be a further discussion of the question whether there shall be an inquiry by a Committee or not, but so far as this point of inquiry is concerned, I think many of my friends will agree that there is no magic in a Committee of inquiry into this matter; we can get all the information by one single officer going there and giving us the fruits of his labours.

Mr. J. Chaudhuri (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): May I move that the main question be put.

Dr. H. S. Gour: I move that Mr. Agnihotri's amendment be put.

Mr. President: The question is that the question be now put—the question refers to Mr. Agnihotri's amendment. Amendment moved:

"Omit the words 'an officer of the Government of India' and insert in their place the words 'a Committee into the conditions of the existing Indian labourers in Mauritius, and '."

The question I have to put is that that amendment be made.

The motion was negatived.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): Sir, some innocent-looking things have at times such an aptitude of sprouting into unexpected dimensions that in dealing with them one does not know where one is. Quite gratuitously have we heard of people coming here, moaning and beseeching for reduction in their Provincial contribution. I am sorry I am one of them, and I or my successor in this seat in the Assembly will have to go on moaning and beseeching till justice is obtained and right done. Mine happens to be also. Sir, a province where the emigration question, inland emigration was at one time very acute and one should have thought that to-day on the floor of this House we were in all seriousness discussing the old Assam slavery laws and trying to get rid of it and of all they stood for. There is however a change and a considerable change, and emigrant labour is now able more or less to lay down the law where it can. Sir, I should not like the proceedings of this House to go forth to the world, and if you had power of keeping them confidential and secret, I should have appealed to you to exercise that power. I should not like these proceedings to get into the hands of unsuitable people say in Canada or in Australia or other places where the Right Honourable Mr. Sastri would have a warmer reception in another sense, when he goes next and when he will be confronted with what some of us have been trying to lay down here to-day. What is it we are trying to do? There are some people comfortably settled down in the land of Paul and Virginia, the land of honey and everything nice and good. We do not want to have them upset or unsettled. They are our own people and are able to dictate the law there, they are able to get good terms and other things which they think they ought to have. Why send another 1,500 men and say they bring in questions of rate-cutting, wage-cutting and other uncomfortable things that unsympathetic people in other parts of the Empire try to press against us when we go to them. I should not like to envy the Right Honourable Mr. Sastri during his next world tour, when these proceedings are hurled at him. He will in pleading again for justice for his countrymen, in other parts of the Empire, have the ethics now advocated, relentlessly quoted against him?

Sir, Mr. Rangachariar has reminded us that the Assembly must not vote away our people to other parts of the world, and he has told us that because of some things that this Assembly was guilty of not many weeks ago, in connection with Malaya and Ceylon emigration question, the Mauritius Government has taken advantage. In reply to a telegram of the 6th of February and relying on what had happened here on a later date between the 6th and the 12th of February, they changed their mind and resorted to other tactics and tried to beat us down. That may or may not be so. My reading of the correspondence is not that. On the other hand, I should have thought that a trained and practised special pleader like Mr. Rangachariar would have laid some stress on or tried to get rid of the closing sentence of the letter of the Mauritius Government of the 12th of February which I find translated in term No. 10 of the Notification before us. What do they say there? Mr. Kamat has very rightly reminded the House that in these matters it is better to have something elastic to go upon than to have a rigid, hard and fast hide-bound limit of Rs. 12. Who knows that Rs. 12 may not be insufficient later on? Mr. Rangachariar interrupting him said "Oh, this Rs. 12 is *plus* the food, medical treatment, housing and everything else." But Rs. 12 as savings may not be quite enough for all time. The sugar industry may be doing much better than it has been doing of late, and Government probably may be able to induce employees to give more. The Government of India has accepted, as far as the draft notification goes, what the Government of Mauritius state in its letter of the 12th February. It says:

"As stated in telegram of June 20th this Government fully prepared to pay for imported labour at prevailing local rates."

That is supposed to be where the mischief of the situation comes in. They go on:

"Government suggest that figure for margin should be determined by your Agent or in his absence Protector of Immigrants. Government further undertake to agree to pay a wage to be determined in relation to cost of living and satisfying such authority (that is our agents) and to repatriate if such wage cannot be obtained."

That is what I find translated in term No. 10, as follows:

"The Government of Mauritius, in consultation with the Government of India or the Agent appointed under section 7 of the Act, shall from time to time determine the amount of wage which is sufficient to meet the requirements laid down in clause 9 of this notification."

Here, perhaps, Mr. Agnihotri's amendment, if it does come on, will be useful, that is fixation of wages shall not only be determined, but also reported to the Government of India, so that the Assembly may from time to time itself determine as to whether the right thing is being done or not and whether anything further is needed. Sir, on this occasion, we ought to congratulate the Government on achieving the reverse of what it did on a recent occasion—unlike on the previous occasion they have been good enough to circulate papers. They had also the advantage of a deputation which met the permanent Committee, of which Mr. Rangachariar himself is a member. We have made considerable advance in this direction we have had the question examined not only by the Government, but by the permanent Committee, which by a majority has passed in substance the terms of this notification, and it is to be in force for not more than a year. Supposing we are not quite satisfied with the state of things in Mauritius because of the factors Mr. Agnihotri has referred to affecting Ceylon and Malaya, further information can be necessary only from the point of view of future action.

[Sir Deva Prasad Sarvadhikary.]

From that point of view I quite see the necessity and reasonableness of inquiry of the kind adumbrated by Mr. Rangachariar. It has been abundantly made clear that no inquiry can be usefully held while the materials upon which the inquiry should proceed are wanting. How this fresh labour emigration is going to affect the labour situation there cannot be determined either by an individual or a Committee unless progress has been made to a certain extent and materials are available upon which a reasoned opinion could be given. Therefore if I have your leave, I should like to move a rider to Mr. Hullah's Resolution somewhat in the following terms:

"That the Assembly further recommends to the Governor General in Council that a competent person be immediately deputed to inquire and report within six months the effect of importation of further labour on the labouring population already settled in Mauritius."

This should have the advantage of leaving things open to the Government either to send one of its officers or such other person as the Government might think fit; after six months' trial of the present measure it would be possible for that person or persons to report to the Government of India; and when later on, after a year, if there was an indent for further labour, we might go into the question upon some basis that would be intelligible and upon which we could base any further action. I do not think that upon the materials that the Government have placed in our hands, or upon which the debate has proceeded so far, there is a case for throwing out Mr. Hullah's Resolution. Well, I am not concerned with what Mr. Hullah has said about there being no Assembly sitting when the result of the inquiry comes in later and giving sanction. It is the look out of the Government whether the Assembly will be sitting or not. It is not a matter in our hands

Mr. J. Hullah: I really have never made any remark of the kind.

Sir Deva Prasad Sarvadhikary: I beg Mr. Hullah's pardon. The Honourable Mr. Sarma's remarks were to this effect. I do not agree with people who are saying that we are possessed with a megalomania. I am not going to characterise our present discussion in that fashion. It is quite right that we should do what we can for our people leaving India; they are not quite free agents. About this assisted emigration, people apply a stronger name, which I do not wish to use on the present occasion. But it is up to this Assembly now that it has opportunities, to use all possible circumspection and at the same time not to be guilty of endlessly blocking where no real danger exists. I do not want to ask myself or any one in this connection the question as to how much India pays its own labourers. Those are somewhat awkward questions and questions difficult to answer. We have had elaborate inquiries into prices by Mr. K. L. Datta and Mr. Shirras, who went into the thing. We never knew however where we were. It is impossible without proper appreciation of all difficulties to fix down these things by hard-and-fast rigid rules. If the notification errs at all, it errs on the side of caution and in the interests of the labourers themselves. It leaves the whole thing open. The Government of India will have its own agent and, added to that, if my rider is accepted as an addition to Mr. Hullah's motion, the Government of India representative will investigate the question on the spot and then we can have further materials on which later action can be taken.

Mr. President: I understand the purpose of the Honourable Member's amendment is to accept the publication of this draft notification, but to

add an inquiry thereafter. In that case, the amendment must come after we have disposed of Mr. Rangachariar.

Dr. H. S. Gour: Sir, we have been reminded this afternoon of a very salutary principle that we must be guided by in the determination of this principle, namely, the economic principle of supply and demand. Now, do Honourable Members and particularly the Member who used that expression realise the full effect of that expression. If we are to be guided by that principle of supply and demand, we have no business to interfere and should let the labourers go out as they choose and come back when they so desire and if they can. The principle which underlies the notification is a Socialistic principle, in which the State guides and controls the emigration of labour. The question, therefore, is how far will the State be justified in interfering with the free emigration of labourers from this country. Now, Sir, it is a well-known principle that, when the State does interfere, its interference must be limited to the very minimum, and for that purpose it must pay due regard not only to the welfare of the out-going labourers but to the general condition of the labouring population in this country and the country to which the labourers emigrate. Now, if I ask the House to advert for a moment to the condition of labour in Mauritius, what will they find? The Census Commissioner at page 42 of this compilation tells us that there were in 1921 only 39,185 labourers available against a demand for 57,185. We thus find that in 1921 Mauritius wanted 18,000 more labourers than were available in the country, added to which we have been told that, due to the expansion of further works and the initiation of irrigation and other projects taken on hand or about to be taken on hand by the Mauritius Government, the labour market would require more labourers than it is able to obtain in the Island. Consequently, the first question raised by my friend the Mover of this amendment that we might dump Indian labourers on to Mauritius and depress the local labour market is, I submit, entirely unjustifiable, so far as the facts and figures given in this compilation disclose, and there is ample room not merely for the emigration of 1,500 labourers but I think two or three times as many as 1,500.

Then comes the next question—the question of wages. It has been pointed out by the Honourable Mover of this Resolution that the wages in the island of Mauritius fluctuate according to the season, and I find from this book that they fluctuate between Rs. 82 and Rs. 30. Now, that is a fact we cannot ignore. The labourer who goes out from this country stands to make as much as Rs. 82, and he equally is exposed to the chance of making as little as Rs. 30. Now, I ask Honourable Members of this House, if one of their labourers was to ask them and say “I want to go out to Mauritius: I stand to gain as much as Rs. 82, though there is a risk of my making as little as Rs. 30,” what would be their answer? I am perfectly certain, Sir, there is not one Member in this House who would, if one of his men were going out on these conditions, dissuade him from doing so. The contingencies of the labour market are such as exist everywhere. During the busy season labourers make more; during the slack season they make less; and I do not think that we can fix a rule, such as has been suggested, that we must fix Rs. 12 and the cost of living as the irreducible minimum to entitle a labourer to go out of this country.

Then, Sir, we pass on to the third question. My Honourable friend, Mr. Rangachariar, could not have forgotten the fact that a very large number of people who have settled down in the island of Mauritius and

[Dr. H. S. Gour.]

acquired fortunes were originally labourers, and that there is a prospect before the labourers of this country going out to Mauritius to get plots of land and become proprietors. The Honourable Mr. Sarma has pointed out that about 50,000 acres of virgin soil will be shortly irrigated and brought under the plough, and that I submit is a hopeful prospect for the would-be emigrant; and I think we should not lose this opportunity of endorsing the Government Resolution in view of the fact that the Government undertake to institute an inquiry as time and convenience may permit in the interests of the labourers; and we know for a certainty that the Government will keep an eye upon the condition of the labourers who go out from India. That, I submit, is as much as this House should ask and expect the Government to do.

Then, Sir, it has been said, and said with a certain degree of force, that 1,500 people going out from this country would not affect the labour market in Mauritius. We know that about 57,000 odd labourers are there, and as I have pointed out, the demand for labour in Mauritius is expanding every day and I do not think that there is the slightest possibility of these labourers getting stranded upon landing at Mauritius. If they did, the Government of India have provided that they would be entitled to repatriation for any reasonable cause, and the fact that they are not able to make a sufficient living in that colony would be regarded as a sufficient cause. I therefore submit that on every ground, due regard being had to what has been said by the Honourable Mover of this amendment, we should not be justified in delaying the emigration of these labourers to Mauritius which would be only possible if we supported the Government Resolution. My friend, Mr. Rangachariar, no doubt moved by humanitarian motives wants that an inquiry should precede the emigration. Now, Sir, if such an inquiry were to be taken in hand there can be no doubt that it will be a matter of six or eight months, or perhaps even a year. The result would be that this notification would be delayed for another twelve months or perhaps more. Has a sufficient case been made out to the House for delaying publication of this notification for twelve or more months? There is an underlying suspicion in the mind of the Honourable Mover of the amendment, reiterated by my friend, Mr. Agnihotri, that all that is written here is by the people who are interested in emigration and consequently we cannot trust all we read in their report . . .

Mr. K. B. L. Agnihotri: No, I never meant it.

Rao Bahadur T. Rangachariar: Speaking for myself I did not have that suspicion underlying my remarks.

Dr. H. S. Gour: I am extremely glad to hear that there was no suspicion in anybody's mind—overt or suppressed. Consequently, the only ground upon which this Resolution could be resisted does not exist and I therefore submit that this House should support the Government Resolution.

The Honourable Mr. B. N. Sarma: May I make an explanation, Sir? The Government do propose to send an Agent at as early a date as practicable and get reports from time to time as to the working of this emigration, and I think there is no necessity for Dr. Deva Prasad Sarvadhikary to propose a rider at all, because the Government do contemplate to get a report and the substance of it will be communicated to the House . . .

Mr. T. V. Seahagiri Ayyar: As early as possible?

The Honourable Mr. B. N. Sarma: As early as practicable. We have taken power under section 7 and I therefore do suggest that Mr. Rangachariar might in view of that assurance withdraw his amendment.

Sir Deva Prasad Sarvadhikary: Having regard to the assurance given by the Honourable Mr. Sarma which really is what I wanted to elicit, I do not propose to press my rider.

Rao Bahadur T. Rangachariar: I think, Sir, having regard to the turn the debate has taken I will place more faith in the Government and therefore I shall withdraw my amendment with the leave of the House.

The amendment (of Mr. Rangachariar) was, by leave of the Assembly, withdrawn.

Mr. W. S. J. Willson (Bengal: European): Sir, I would like, if I may, to make one point in connection with the amendment—to correct a statement

Mr. President: The amendment has now been withdrawn. The discussion must turn on the main proposal contained in Mr. Hullah's Resolution.

Mr. R. A. Spence: I move, Sir, that in view of the Government statement, the question be now put.

Mr. W. S. J. Willson: May I have the permission of the House, Sir, to mention one point before the question is put? Being a Member of the Emigration Committee, I would not like the statement which was made this morning to go out of this House that the deputation from Mauritius had been guilty of back-sliding. I do not like the impression to get abroad from the statement made that a responsible deputation from a Colonial Government has been accused of back-sliding, and that it had not been challenged in the House.

Sir Deva Prasad Sarvadhikary: It was the Mauritius Government that was so spoken of and not the deputation.

Mr. W. S. J. Willson: A statement was made that the deputation went back on their promise that they would pay a wage of Rs. 50, and with the permission of the House I would like to call the attention of Members to page 21 of the Note prepared by the Revenue and Agriculture Department on Indian Emigration to Mauritius in which the telegram from Mauritius quotes "Normal rate for day-labourers on estates *does not exceed now* Rs. 50." At page 23 Honourable Members will find the letter from the Mauritius Government confirming their telegram which says "As stated in my telegram of the 20th June, this Government is fully prepared to engage labourers at local market rates." I think, therefore, there should be no question about back-sliding, I would like to associate myself, on the other hand, with all Mr. Hullah has said about the extremely nice way in which the Mauritius deputation have met us in every way after the heavy expense they had incurred, and I think it is only fair to admit and not to dispute any statement they have made.

Mr. K. B. L. Agnihotri: I do not wish to say anything more, Sir.

(Several Honourable Members: "The question be now put.")

Sir Montagu Webb (Bombay: European): Sir, I should like to mention one little matter for the information of the House which I find in the

[Sir Montagu Webb.]

Mauritius Year Book,—the last issue of the "Mauritius Almanac, 1922" to which no reference has so far been made; and it is this (on page A. 5). In the year 1920 the whole of the Mauritius sugar crop was purchased by the British Government for twenty-five crores of rupees. At the suggestion of the Governor of Mauritius a portion of this sum was utilised to create a fund for the carrying out of the much-needed improvements in sanitation, dock accommodation, etc. Therefore, it is that the Government there require the labour for this new work of improving the harbour, for carrying out irrigation developments, and other matters of which Members have heard. Here is this enormous sum of money in the hands of the people and Government of Mauritius; and as nearly one half of the land in Mauritius belongs to Indians, I presume that a substantial portion of this enormous sum is in the hands of Indians. Some of it is now about to be spent in improvements and extensions. Therefore it is, Sir, that I have heard with amazement to-day the proposal that we should prevent Indian labourers from going over to Mauritius and sharing in the great prosperity there.

(Several Honourable Members: "The question be now put.")

Mr. President: The question is:

"This Assembly approves the draft notification which has been laid in draft before the Chamber specifying the terms and conditions on which emigration for the purpose of unskilled work shall be lawful to Mauritius and recommends to the Governor General in Council that the notification be published in the Gazette of India."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 10th March, 1923.

LEGISLATIVE ASSEMBLY.

Saturday, 10th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock. Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

DACOITY IN GURDIT SINGH'S HOUSE, TIMARPUR.

538. ***Khan Bahadur Sarfaraz Husain Khan**: 1. Is it a fact that a daring dacoity with sharp weapons has been committed recently in the house of one Gurdit Singh at Timarpur in Delhi?

2. Has the attention of Government been drawn to the news as published in the last week's *Eastern Mail*?

3. Is it a fact that it has created a panic in the hearts of the residents of the Indian quarters at Timarpur?

The Honourable Sir Malcolm Hailey: 1. No dacoity has been committed, but a case of house breaking by night was reported on 15th February 1923, and is under investigation.

2. Yes. This is probably however an exaggerated reference to the case just mentioned.

3. A petition to this effect has been received from the clerks residing at Timarpur.

PATROL PARTIES AT TIMARPUR.

539. ***Khan Bahadur Sarfaraz Husain Khan**: (a) Is it a fact that the residents of the Timarpur quarters have formed themselves into parties for patrolling there at night?

(b) If so, will the Government be pleased to state what steps the Government have taken or are proposing to take to help such parties in their honorary work?

The Honourable Sir Malcolm Hailey: (a) The petition mentioned in the previous answer stated that this was the case, but Government has no official information.

(b) The Superintendent of Police will welcome the assistance of such honorary helpers if they will put themselves into communication with him.

PROTECTION AGAINST DACOITIES AT RAISINA.

540. ***Khan Bahadur Sarfaraz Husain Khan**: (a) Is it a fact that some dacoities took place in the quarters at Raisina, last year and year before last?

(b) Is it a fact that a Member of the then Executive Council inspected the quarters?

(c) If so, will the Government be pleased to state whether the Honourable Member in question suggested any safeguards for preventing the recurrence of such dacoities in future; and if the answer is in the affirmative, will the Government be pleased to state what suggestions were made?

The Honourable Sir Malcolm Hailey (a) No dacoities took place in the clerks' quarters at Raisina in 1921-22, but in 1920 four cases of house-breaking by night were reported. The strength of the Raisina Police was strengthened in the cold weather of 1919-20.

(b) and (c) The question presumably refers to a visit of inspection by the late Member in charge of Commerce and Industries Department (Sir Thomas Holland). Various suggestions for increasing the height of compound walls and putting broken glass on them, and providing bars for windows, etc., were examined, and any practicable remedies were adopted.

PROVISION OF DOORS AND WINDOWS TO QUARTERS AT RAISINA.

541. ***Khan Bahadur Sarfaraz Husain Khan:** Is it a fact that the Indian quarters on the Cantonment Road, Raisina, are not provided with any windows or doors on the road side; if so, will the Government be pleased to take steps to provide them with doors and windows on the road side?

Mr. H. A. Sams: The main entrance door is on the Cantonment Road side of the quarters. The quarters are provided with clerestory windows on the same side. Windows at a lower level were not provided for the reason that, were they provided, *purdah* would not be complete.

POLICE PATROL, RAISINA.

542. ***Khan Bahadur Sarfaraz Husain Khan:** Have arrangements for police patrol been made at Raisina, for the Indian clerks quarters?

The Honourable Sir Malcolm Hailey: Yes—patrols of 1 head constable and 10 constables are deputed for watch and ward in these quarters. The sanctioned grant for the Delhi Police force will not admit of the placing of an officer above the rank of head constable on this patrol duty.

REPEAL OF FRONTIER CROSSING REGULATION IN UPPER BURMA.

543. ***Mr. J. N. Basu:** Will the Government be pleased to state whether it intends to repeal so much of the Frontier Crossing Regulation of Upper Burma, as affects the areas falling within the jurisdiction of the High Court at Rangoon?

Mr. Denys Bray: Government propose to leave the matter to the Government of Burma in the first instance.

PRODUCTION OF SALT IN BURMA.

544. ***Mr. J. N. Basu:** (a) Whether salt is manufactured or produced at any place in Burma? If so, what is the value of the annual output and expenditure?

(b) Whether the Government is aware that in Shwebo District in Upper Burma, there are salt-wells? If so, whether the cultivators have been prevented from working them?

Mr. A. H. Ley: (a) Yes. The Honourable Member is referred to the figures given on pages 170 and 171 of "Statistics of British India, Volume II (Financial Statistics)." These figures show the quantity and value of salt produced in Burma from the years 1915-16 to 1919-20. Later figures of value are not yet available, but the total output in maunds for the years

1920-21 and 1921-22 was 15½ lakhs and 11½ lakhs, respectively. Government have no information regarding the expenditure incurred in manufacture, the salt not being manufactured by Government.

(b) The information has been called for from the Burma Government and will be supplied to the Honourable Member on receipt.

INTERMEDIATE CLASS CARRIAGES IN BURMA.

545. ***Mr. J. N. Basu**: Will the Government be pleased to state why the Burma Railways Company do not provide inter class carriages for the travelling public? Will the Government be pleased to direct them to do so at an early date?

Mr. C. D. M. Hindley: Government understand that intermediate class carriages are not provided on the Burma Railways as there has been no demand for this class of accommodation. In the circumstances Government do not propose to take any action.

ELECTION EXPENSES.

546. ***Mr. J. N. Basu**: Will the Government be pleased to state—

(a) whether any scale of election expenses have been sanctioned or notified?

(b) whether the candidates returned to the Legislative Assembly or Council of State are entitled to a refund of all or any portion of expenditure incurred by them?

Mr. E. Burdon: (a) The Government of India have not yet fixed any maximum scales of election expenses under rule 18 of the Electoral Rules. The question of fixing such scales will however be considered.

(b) The answer is in the negative.

Mr. K. Ahmed: Sir, is it not a fact that candidates for election for the House of Commons are permitted to circulate pamphlets free of postage amongst the electors?

The Honourable Sir Malcolm Halley: I understand that there are certain concessions in regard to postage in England; but the Honourable Member will, I think, realise that the question referred to laying down a scale of election expenses. I may say as supplementing the reply which my Honourable friend has just given that we do not think that we have had sufficient experience of elections in India to justify us in attempting to lay down any scale of election expenses. We may possibly be able to do so when we have had further experience of the expenditure actually incurred by candidates.

MILITARY COLLEGE IN BURMA.

547. ***Mr. J. N. Basu**: Will the Government be pleased to state whether a military college or feeder school is to be established in Burma?

Mr. E. Burdon: The answer is in the negative.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): I will put the question later on, if you will permit me, Sir.

UNSTARRED QUESTIONS AND ANSWERS.

ONE HUNDRED RUPEE CURRENCY NOTES.

229. Lala Girdharilal Agarwala: 1. Are Government currency notes of rupees one and one hundred allowed to change hands without any signatures?

2. How are the prices of such notes repaid to their holders in case their numbers are destroyed by fire, water or whiteants and when no record of their numbers is kept?

3. How do the Government propose to prevent loss being caused to possessors of such notes as compared with possessors of gold and silver coins, so as not to put possessors of notes at a disadvantage?

The Honourable Sir Basil Blackett: 1. All currency notes are payable to bearer on demand and the question of signatures on transfer does not arise.

2 and 3. The Honourable Member's attention is invited to the Government of India, Finance Department, Notification, No. 3201-F., dated the 24th November, 1921, which contains the rules on the subject.

ESTATES HELD UNDER REGULATION 3 OF 1818.

230. Lala Girdharilal Agarwala: What estates are at present held by the Government under Regulation 3 of 1818?

The Honourable Sir Malcolm Hailey: The only estates held under the Regulation are those of Kunwar Mahendra Pratap Singh.

CONFISCATION OF PROPERTY UNDER REGULATION III OF 1818, AND OTHER LAWS.

231. Lala Girdharilal Agarwala: Have the Government carried out the proposals mentioned in answer to my question No. 118, printed at pages 116-117 of the Legislative Assembly Debates, dated the 6th September, 1922? If not, when do the Government propose to do so?

The Honourable Sir Malcolm Hailey: It is hoped to introduce a Bill in the Indian Legislature whereby the interests in the estates of Kunwar Mahendra Partap Singh will be conveyed to his minor son. The estates and lands of Ghulam Qasim Khan, ex-Nawab of Tank have been released from attachment.

HINDU OPINION ON DR. GOUR'S AND MR. SESHAGIRI AYYAR'S BILLS.

232. Babu J. N. Mukherjee: Will Government be pleased to state what Hindu associations, religious heads of institutions, representative Hindus of the orthodox communities, and other prominent persons and associations outside the Hindu community were consulted by them with a view to obtain their opinion of the following bills—

(a) Dr. Gour's Civil Marriage (Amendment) Bill.

(b) Mr. Seshagiri Ayyar's Bill regarding exclusion from inheritance of certain Hindus.

(c) Mr. Seshagiri Ayyar's Bill for alteration of the Hindu Law of inheritance.

The Honourable Sir Malcolm Hailey: The Honourable Member is no doubt aware that no motions were made in this Chamber for the circulation of these Bills for opinions. In order, however, to enable Government to come to a conclusion as to the attitude to be adopted by them towards the Bills, the Government of India circulated them inviting the opinions of Local Governments and Administrations, the High Courts, Chief Courts and Judicial Commissioner's Courts, the Bar Associations and such other authorities as the Local Governments thought fit to consult. The opinions received from the Local Governments have been made papers to the Bills and have already been distributed to the Honourable Members.

RESOLUTION RE RESERVED RAILWAY COMPARTMENTS.

Mr. W. M. Hussanally (Sind: Muhammadan Rural): Sir, I beg to propose the following Resolution which stands in my name:

"This Assembly recommends to the Governor General in Council that he will do away with reserved compartments for particular communities on all Indian Railways by all passenger trains unless fully paid for."

My object, Sir, is to ask the Governor General to remove compartments reserved now for Europeans and Anglo-Indians on the different Railways in India. Sir, in September, 1921, at the Simla Session, I moved a somewhat similar Resolution and on the day fixed for the discussion of that Resolution Colonel (now Sir Danvers) Waghorn, then President of the Railway Board, approached me for a compromise. I understood him to say that first and second class reserved compartments for Europeans and Anglo-Indians on all Railways had been abolished; and in the course of a little conversation that we had then he agreed to instruct all the Railway Administrations to do away with intermediate and third class compartments as well, on all trains except the mail trains. To this arrangement I agreed because I thought that the chief point was to break the ice, and if the Government agreed to the principle, I thought that it would be time enough for removing these latter compartments altogether on all Railways later on. I wish, Sir, with your permission, to quote a passage from Colonel Waghorn's speech on that occasion:

"A possible solution, which I will put before this Assembly for their consideration, is that the reservation be eliminated gradually, that is to say, that the reservation of a third class compartment for Europeans and Anglo-Indians should be done away with on all slow trains and only retained for the present on mail or fast passenger trains."

I would ask Honourable Members to mark this word "or" as this is important as I shall show a little later on.

"If the Honourable Member is prepared to accept this modification of his Resolution I shall be glad to consult Railways accordingly with a view to the introduction of this measure, and with this undertaking he will perhaps be prepared to withdraw his Resolution."

This passage, Sir, did not appear to me to have been correctly reported. As a matter of fact, Colonel Waghorn then also mentioned the word "intermediate," but in this passage the word "intermediate" does not appear. I therefore had correspondence with him upon the subject and with your permission, Sir, I shall read that correspondence of which I have

[Mr. W. M. Hussanally.]

obtained a copy from the Railway Board. I wrote to him on the 25th October, 1921, as follows:

"I beg to call your attention to Volume II. No. 10, page 1215 *et seq.* of the proceedings of the Legislative Assembly on 28th September last.

If you remember, when you came over to me and made an offer for a compromise in regard to my proposition regarding Reserved Compartments, I agreed to it only on condition that the reservation of Interclass Compartments would also be done away with along with third classes, on all but Mail trains,—mark the words 'on all but Mail trains'—and you consented.

This is clear also from my reply to you, page 1218. In your speech as delivered you also mentioned inter class carriages. I have a vivid recollection. And I withdrew the proposition on that understanding as will appear from my reply.

In your speech as published the words 'and intermediate' are omitted after the word 'third' in line 5, page 1218. Probably this is due to the fact that you forgot to add these words to your typed speech which you might have passed on to the reporter for printing.

I shall feel obliged by your kindly informing me if you have advised the Railway Administrations to do away with the inter class reservation also or not; inasmuch as I have been getting a number of inquiries on the subject."

To this I got the following reply:

"I write in reply to your demi-official, dated the 26th October last, in regard to the subject of the removal of reservation of Inter and 3rd class compartments for Europeans and Anglo-Indians on all but mail and fast passenger trains—please mark the words 'and fast passenger trains'.

You are quite correct—I did use the words 'intermediate and 3rd class', but for some reason the word 'intermediate' has been omitted in the printed copy of the Legislative Assembly Debates.

However, you may rest assured that action has been taken on the lines indicated in my reply to your Resolution, and Agents of all Railways have been consulted with a view to removing this restriction on all slow trains; and furthermore, we have suggested that the accommodation reserved in third class compartments on mail and fast passenger trains should be reduced to a small compartment. It is quite possible we may find exceptional cases in local traffic or on certain sections where there may be good grounds for continuing the reservation.

As a matter of fact, the Railway Administrations had already been addressed some three weeks previously on the lines indicated in the reply which I gave you, and their answers are now coming in."

Then I wrote to him again on the 18th November, as follows:

"Many thanks for your demi-official of November 8th. I am glad you have issued instructions in regard to Inter class also. But you say you have confined your instructions to slow trains only and have excluded not only the Mail trains but also fast passenger trains as well, I need hardly point out that no reservation is at all necessary on the latter kind of trains considering the fact that the European and Anglo-Indian passengers by inter and 3rd class are infinitesimal. As such they should travel by Mail trains only if they wish to have reserved compartments to themselves. This is all the more necessary inasmuch as rolling stock on almost all lines is inadequate and the complaint of shortness of accommodation for Indian passengers is universal; and you did not exclude such trains in your reply.

There have been so many inquiries from me in regard to this matter from people who wish all distinction between class and class removed that I would strongly urge that you should exclude only the Mail trains at present and no other.

I hope you have no objection to my publishing this correspondence."

The reply to this is dated the 19th November, and runs as follows:

"I am in receipt of your demi-official dated the 13th November. You will find on reference to page 1218 of Volume II No. 10 of the official report of the Legislative Assembly Debates on the 28th September 1921 that I used the following words in replying to your Resolution:—

'That the reservation for Europeans and Anglo-Indians should be done away with on all slow trains and only retained for the present on mail and fast passenger trains'."

Then he says:

"As I mentioned in my previous demi-official the question has been referred to Railway Administrations and is still under consideration.

I should prefer therefore that this correspondence should not be published at the present stage."

Now, Sir, what I would ask the House to look to is that in the quotation from Colonel Waghorn's speech which I have just read the word "or" is used, whereas in his reply to my letter, dated 13th November, he uses the word "and," which makes all the difference in the world. He in the first instance said that the reservation would be restricted to mail "or" fast passenger trains: whereas in his reply to me he uses the word "and," which means mail and fast passenger trains. He also admits, Sir, in the correspondence that the word "intermediate" does not appear in his speech although he did use the word and he was going to do away with the reservation of intermediate class compartments as well. Then what happened is that some time after, my friend, Mr. Sinha, put a question to Colonel Waghorn, on the 6th of September, 1922. The question ran as follows:

"(a) In view of the assurance given by Colonel Waghorn in connection with the Resolution moved by Mr. W. M. Hussanally asking for the abolition of the reservation of compartments on railways for Europeans and Anglo-Indians, will the Government please state what action have the different Railway Companies taken in the matter and how far they have acceded to the recommendations underlying the Resolution?

(b) Is it a fact that so far only the Great Indian Peninsula Railway has taken action in the matter on the representation made by the Railway Board?

(c) Do the Government propose to correspond with the Railway Companies who have not yet taken action in order that prompt action is taken by them?"

The reply that he then gave is as follows:

"(a) and (b) In April last the Railway Board issued instructions

Please mark the word "instructions."

"... to railways to the effect that the reservation of an inter or third class compartment for Europeans and Anglo-Indians should be restricted to through mail and fast passenger trains"

Here again he uses the word "and"

"... the accommodation in such cases being limited to one compartment designed to seat about 10 passengers only. Reports received from the principal railways show that the instructions have been carried out generally, in order to suit local conditions, a few railways still retain reserved third-class compartments for Europeans and Anglo-Indians on certain slow passenger trains."

Now this is also important, as this last part was not in accordance with the undertaking which he gave in the discussion and I think is a subsequent addition. Then again, he proceeds further:

"In the circumstances mentioned above, Government do not propose to take further action in the matter at present."

Now, Sir, what I complain of in this answer is that it is indefinite and evasive, and therefore I hold that Colonel Waghorn did not keep to his undertaking which he gave me at that time. My information, Sir, is that so far as the large lines of Railway are concerned, the reservation of intermediate and third class compartments on almost all trains is still being made. I can speak from my personal knowledge of the North Western Railway and the East Indian Railway, but I have also received information

[Mr. W. M. Hussanally.]

from several friends that that is the case on almost every other line. It may be perhaps that some line or other has taken off these reserved compartments from some trains, but my information is that it is not the case that these compartments have been taken off generally, as Colonel Waghorn said in his reply to Mr. Sinha. It is for the House, therefore, to decide whether Colonel Waghorn kept to his promise or not. Then again, Sir, quite recently another question was put to the present Honourable Railway Member whether it was a fact that Indians travelling in European costume were allowed to travel by these reserved compartments, and the reply was that the Railway Board believe that in practice no objection is taken to Indians who have adopted European dress travelling in compartments reserved for Europeans on the different railways. Government do not propose to call for further information on this point from Railway Administrations at present. Now, Sir, this reply adds insult to injury, and puts a premium upon Indians who choose to ape Christians in this respect. What does this reply mean? My son, if he puts on a hat, can travel by these reserved compartments, but unfortunately I, who do not put on a hat but choose to appear in my Fez, cannot do so, and I can be kicked off from the reserved compartment, but my son is allowed to travel. (*Dr. H. S. Gour*: "What about your tie and collar and your waistcoat?") I preserve my nationality. But, Sir, is it a fact that Railway Administrations do not take objection to Indians travelling in European costume by these reserved compartments? I say it is not so, and I heard only the other day from a friend that a few months ago a party of Indian gentlemen who were travelling by one of these reserved compartments from Howrah to Delhi travelled as far as Tundla; up to that point nobody objected, but at Tundla they were forcibly ejected to make room for some European or Anglo-Indian or whatever else he is called. But even supposing this objection will not be taken in the future, I say that it does not satisfy me in the least; what I say is that all these reserved compartments must go, and there is no reason now to have any reserved compartment for any particular class or community. We must all be treated alike. The next question, Sir, that I have to consider is whether it is in the interests of these Europeans or Anglo-Indians to travel by these reserved compartments, for their own sake. I say, Sir, that chiefly by reason of the fact that very often only a solitary individual or a family travel by these reserved compartments. And the result is that on occasions even murders have been committed in these compartments. I would draw your attention to the unfortunate murders that took place quite recently on the Oudh and Rohilkhand Railway somewhere near Lakhsar station when a lady and a gentleman travelling by one of these compartments were ruthlessly murdered. I say, therefore, that in their own interests it is not right that they should travel by such compartments which are not full. Then, again, Sir, there is another point to which I would beg to draw the attention of the House. These compartments are reserved for Europeans and Anglo-Indians. Now, who are Anglo-Indians? My friend Colonel Gidney is there. He distinctly told us only a few days ago that the community to which he had the honour to belong is Indian and he took pride only a few days ago in calling them Indians. I hope the Anglo-Indians call themselves Indians to all intents and purposes; and not merely when it suits their purposes to share the loaves and fishes, or I may say, the crumbs that fall to our lot. If that is so, that is to say if Anglo-Indians are Indians and wish to sail in the same boat as ourselves, they should travel in

the same compartments with us and not claim any preference of this kind. Well, if that is conceded then the only other class of people for whom these compartments are to be reserved are the Europeans. Let us then come to the Europeans. Colonel Waghorn told us that there were no reserved compartments for first and second class passengers. What class of Europeans then travel by intermediate and third class? It is rarely, if ever, you find a non-official European travelling by intermediate or third class. Probably the bulk of the Europeans who travel by intermediate and third class are European soldiers. Well if they travel in large numbers, a compartment can be reserved for them under the ordinary rules. But if they are not, then I do not see why they should have the privilege of travelling by a compartment entirely to themselves. They ought to share with us. Colonel Waghorn in his speech on that occasion said as follows. I would like to quote his words:

"It is true that this demand was made 18 years ago which is a long time, but prejudices and dislikes do not necessarily disappear; and Government have felt hitherto that while recognising the desirability of eliminating all racial distinctions, the continuance of this reservation was on the whole desirable in order to avoid the possibility of the unpleasantness and ill-feeling which may readily be created by some trifling incident and which may possibly lead to much greater friction than is likely to arise under the existing arrangements. It will be noted that there is no idea of any racial discrimination."

If there is no idea of any racial discrimination, I do not see any reason why the European soldier should have a compartment reserved to himself. And as regards any ill-feeling that may be created by them while travelling by railway with Indian passengers, it would bespeak nothing else than want of discipline, for which the Military Department would be responsible and not the soldiers. If they are properly disciplined, I do not see any reason why there should be any ill-feeling or any breach of the peace in a railway compartment when they are travelling with their Indian fellow passengers.

For a number of years past Sir, accommodation on railways for Indian passengers has been very limited and frequent complaints have been made that the accommodation supplied for Indian passengers particularly Intermediate and Third Class passengers, has been very insufficient, and I have myself seen, especially on the North Western Railway, that whereas an adjoining compartment goes vacant, the next compartment, reserved for Indian ladies, is so over-crowded that there is hardly any room even to stand, much less to sit. Our ladies generally travel with their children, so if there are 8 or 10 ladies and about 10 or 12 children in the compartment, the compartment is over-full; and even then the railway authorities will not allow the adjoining compartment, which goes vacant altogether, to be occupied by these ladies and children. That being the case, I think there is all the more reason that these reserved compartments should go. And we have been recently doing away with racial distinctions as far as we could. That would be another reason for me to urge to the House to pass this Resolution so that this restriction also should go. A Conference held in Lucknow in 1903 has been referred to, at which some Indians also attended. I do not know who they were and what representative character they had, but it seems that it was with their consent that these compartments were reserved on Indian railways. That might have been so, but times have changed since and are changing very fast, and I think what then looked to be quite innocent is not the case now. The political consciousness in the country since then has been attained so much that it is high time that any distinctions of the kind should now be abolished. I can assure

[Mr. W. M. Hussanally.]

the House, Sir, that there is a considerable feeling in the country with regard to this matter, and during recent years there have been several cases, both civil and criminal, in the various courts. It will serve no useful purpose that I should quote these cases *in extenso*, but I may refer to some cases the references to which I have got. One is reported in XLV I. L. R. Bombay, page 1324, another is in XLV I. L. R. Madras, page 215, another XLII I. L. R. Allahabad, page 327, and the last case on the subject is reported in XXV Bombay Law Reporter, page 26. As I said, some of these cases have been civil and others have been criminal. In some of these cases people who were forcibly ejected from these compartments brought suits for damages and in other cases they were prosecuted under the Railway Act for riding in a compartment which was reserved for somebody else. I would refer to only two cases. One in 45 Madras, in which Mr. Justice Krishnan disagreed with his colleague—I believe it was Mr. Justice Oldfield and this is what Mr. Justice Krishnan says:

"With all respect to my learned brother I regret I am unable to concur with him in this case; for I have come to the conclusion that the accused are entitled to be acquitted on the short ground that the third class compartment in question is not proved to have been properly reserved for Europeans and Anglo-Indians as the prosecution alleged."

The case was referred to a third Judge, Mr. Justice Ayling, and it was decided of course that this compartment was properly reserved under section 42 of the Railway Act, and, therefore, the accused were guilty. In all these cases, Sir . . .

Mr. T. E. Mcir (Madras: Nominated Official): I rise to a point of order. The Honourable Member said "it was decided of course that this compartment was properly reserved." I wish to know whether the Honourable Member is entitled to use the words "of course" which seem to be an imputation on the Honourable Judge.

Mr. W. M. Hussanally: That was very far from my intention. I have the highest respect for the Judges of the High Courts and that was not my intention. What I was referring to was that the decision was arrived at on an interpretation of section 42 of the Railway Act. I was just going to read a portion of that section when I was interrupted. Clause 2 of section 42 of the Railway Act says:

"A railway administration shall not make or give any undue or unreasonable preference or advantage to or in favour of any particular person or railway administration, or any particular description of traffic, in any respect whatsoever, or subject any particular person or railway administration or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever."

This is the clause, Sir, upon which these cases have been decided, and nearly all the cases hinged upon the interpretation of the words "undue or unreasonable preference." In almost all these cases it has been held that, while these reserved compartments do constitute a preference they do not constitute an undue preference. That is the distinction that has been drawn, and it is, unfortunately, on these decisions that these persons who were prosecuted were sentenced.

Mr. President: I must ask the Honourable Member to draw his remarks to a close.

Mr. W. M. Hussanally: Well, Sir, I shall only say a few words more. Unfortunately, Sir, I have not got sufficient time to quote from the judgment

of Justice Sir Lalubhai Shah of the Bombay High Court, which would have been very interesting. But suffice it to say, Sir, that he disagreed with his colleague Mr. Justice Crump and the case was referred to Mr. Justice Marten and the eventual decision was that the conviction was good and they upheld the decision of the lower court.

But what I want to draw the attention of the House to is that of late people have been getting into these reserved compartments deliberately in order that they may be prosecuted and in order to take the case up to the High Court for a decision; and what I want to draw the attention of the House to is that there is so much feeling in the country against these reserved compartments that people go deliberately into these compartments for the purpose of drawing attention to this matter and that is also one of the reasons why I would ask this House to vote for the proposition that I have brought in order that these reserved compartments should now be abolished. The only alternative would be to bring in a Bill for amending the Railway Act, but that I think is not necessary at the present moment; and I would therefore ask that this House do pass this motion to ask the Governor General in Council to do away with these reserved compartments.

Mr. K. N. Mitra (Bengal: Nominated Official): Sir, I think that the Resolution moved by my Honourable friend, Mr. Hussanally, is inopportune. The grievance is a real one and the cases to which he has referred only go to show that the state of things in this matter is not what it should be. But, Sir, it was only yesterday that we passed the Racial Distinctions Bill—a Bill which it is universally admitted will go to promote goodwill and fellow-feeling among the two communities, Indian and European, whom destiny has woven into the picturesque mosaic of India's national life. I think, Sir, that it is regrettable that a Resolution of this kind should be brought before the House almost immediately after the passage of the Racial Distinctions Bill. I do not for a moment mean to imply that the enjoyment of this privilege by a particular community is desirable, but probably what the Honourable Mover has in his mind is the wanton feeling of superiority which this reservation of carriages or compartments on railways gives to a particular class of people. But to my mind this sense of superiority is due purely to a narrow and partial outlook on life which is bound to go in the course of time. (*Mr. Jumnadas Dwarkadas*: "Why encourage it?") I say we should not encourage it, but if it is a matter of mere convenience, then I do not see how we can promote our object by depriving a particular class of our fellow-subjects of a privilege which they have enjoyed for such a length of time. If we consider this question carefully, we will find that this privilege is not extended to 1st and 2nd class passengers, but still there have been cases of rough handling, of insult and even of forcible ejection from railway carriages. After all, what is all this due to? To my mind, it is due, as I have already said, to a partial and narrow outlook on life, and when a broader, larger and more human sympathy and neighbourly feeling prevails, I am sure that this distinction will ultimately go. It is no use forcing the progress of things. So far as the 1st and 2nd class carriages are concerned, the distinction does not exist, because the people who use these two classes have got almost the same habits or can adapt themselves to the same mode of life as those of Europeans or Anglo-Indians, but the habits of life are different in the case of 3rd and inter-class passengers who may roughly be regarded as constituting the middle class people. They are respectable

[Mr. K. N. Mitra.]

men, but generally they are orthodox in their habits and mode of life. So if you want to have the same type of carriages for Europeans or Anglo-Indians as well as for Indians it will not be convenient to either; because neither the Indians nor the Europeans or Anglo-Indians will feel comfortable, and the result will be that those Anglo-Indians who travel in Inter and 3rd class compartments will be obliged to travel in a higher class, which they can ill afford to do. My contention is that we have no right to do it, we have no right to force them to travel in a higher class of carriage which will cost them more money and it will not be profitable to the railway authorities themselves to have all the inter and third class carriages fitted up with the same conveniences. So I think the whole question resolves itself to one of expediency and comfort, and when there is mutual understanding between the two communities, I hope that we will not grudge any community any special privilege which they may enjoy, for they will also come to respect our feelings better. It also seems to me, Sir, that it is not fair for a legislative body like ours to pass a Resolution of this character because in this Assembly, as Honourable Members will see, there is a very inadequate representation of the community whom we are going to deprive of this particular advantage. Even if we could carry this Resolution by the sheer weight of numbers, still it will not make for the establishment of that good feeling and sympathy for which we so much care.

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): Sir, I regret very much that the vagaries of the ballot box has brought forward this Resolution and given it a place for discussion in to-day's agenda. I am sorry, Sir, that my Honourable and esteemed friend—I may go further and say—my patriotic friend, Mr. Wali Muhammad Hussanally, should have spent so much powder and shot on such an insignificant question as this. I am sorry, Sir, that he should have burnt his candle and spent hours of the night on studying this question, hunting out Law Reports and previous proceedings of this House, to prepare his speech on this Resolution. I think, Sir, the time he has spent over this would have been better spent in studying the Budget and in showering bomb shells on the Honourable the Finance Member. Sir, speaking as an Indian I might say that our grievances against the administration are numerous and there are many more questions of greater importance in which we have to ventilate those grievances and the question referred to in the Resolution unfortunately does not come up to that standard. We can very easily overlook it. But, examining the question on its merits, Sir, my friend in the course of his speech said that a third class compartment in a fast train or a mail train or it may be a very slow train is reserved for Europeans and Anglo-Indians and what is the result? The other compartments which are occupied by my countrymen are crammed full and we were given some vivid descriptions of these compartments. But may I ask the Honourable Member to say: suppose in a fast train or a mail train, where there are numerous compartments, sometimes 100 compartments, if one more is added for the third-class passengers, will it in any way improve the position of the passengers travelling in these compartments? (*An Honourable Member*: "It will.") An addition of 10 to 200 or 300 does not make much difference, and at the same time what are the conditions of reserving this compartment? It has been said: Why should there be any friction? But it goes without saying that if an Anglo-Indian travels in a third class compartment with Indians, there will be friction every fifty miles if not every

ten miles. We have been told, if the soldiers do anything wrong, it is for the military authorities to control them. I might remind this House and my Honourable friend that human nature can never be controlled either by military or civil authorities. The people who travel in third or inter class compartments do not belong to that class either of Europeans or Anglo-Indians who have got a high education or at any rate who have got broad political views or who can understand the political situation. They are people who would not like to travel with Indians: their habits are different and naturally there is every danger of their picking a quarrel with their fellow passengers which may lead sometimes to disturbances. Our difficulties are always very great. Why add to them by removing this distinction?

The second question is that the definition of "European" in the railway administration is not the one which this House or, at least, this side of the House would like to be put on it, nor the one which the other side of the House has put upon it under orders from Whitehall. But they have got a wider definition. Just as my friend has said they define a European or an Anglo-Indian in a way that people who wear a European costume generally come under it, and I believe the railway administrations do not insist upon a fez being substituted for a hat. Therefore, Sir, I think that this Resolution is not only inopportune, as my friend behind us said, but I think it is absolutely unnecessary. Speaking for myself, I think that I would much prefer to have as my fellow traveller in a railway compartment an Indian than a European and sometimes, when coming to this city or going to Simla or elsewhere, I have taken pains to go to the Inquiry Office at the Howrah Station to see that I was booked with an Indian fellow passenger and not with Sir Alexander Murray. But I might tell my Honourable friend, Mr. Wali Muhammad Hussanally that, not only as regards Europeans and Indians, but it will be even more convenient for me to travel if my other Indian fellow companion in the carriage was a Muhammadan and not an orthodox Hindu. Mr. Jogendra Nath Mukherjee and I happen to be very great friends and friends of long standing but he and I would be both inconvenienced if we were locked up in the same compartment. Not for this reason, but because he has got his religious objections that I should not touch his food, and I may have—although I particularly at present have not—an objection to my food or anything eatable being touched by a non-Mussalman. But it is not practicable to reserve any compartments in a country like India for Hindus or Muhammadans. But I think it will save trouble and inconvenience if we reserve a third and intermediate compartment for, as you call them, the Europeans and Anglo-Indians who cannot afford to pay higher. Sir, if I may say so, these Europeans and Anglo-Indians are more extravagant than the Indian population in this country, and if he could afford he would rather travel first than third. But it is sheer necessity which makes him travel third class or intermediate class. Therefore I think it will be a sheer injustice, it will be impolitic and undesirable to pack him in the same compartment with Indians, remembering, as we must do, the class of Indians who travel also in those compartments. It has been said that they will not create any friction, but in spite of the progress we have made, in spite of the fact that we are looking much ahead and that we have got a great sense of nationality in ourselves, it must be remembered that the class of Indians who travel third and inter-class even at the present day have got a certain amount of terror of these Anglo-Indian citizens, and . . .

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadan Urban): No, no.

Maulvi Abul Kasem: They will be to a large extent inconvenienced by being in the same compartment with them. My friend there says "No." I believe he is thinking of the educated section of his countrymen.

Mr. Jamnadas Dwarkadas: Even the uneducated men have self-respect now. You may rest assured of that.

Maulvi Abul Kasem: I am glad to hear him say so. If he has self-respect I think he would prefer to travel with his own countrymen and not mix up with others.

Mr. Jamnadas Dwarkadas: He does not want to be treated as his inferior.

Dr. Nand Lal (West Punjab: Non-Muhammadan): We are all brothers.

Maulvi Abul Kasem: Therefore, Sir, I would advise my friend to withdraw the Resolution which he has moved and not press it before this House. As regards the inconsistencies and back-sliding that has been attributed to Colonel Waghorn, in spite of large extracts read by my friend I do not think that Colonel Waghorn has been guilty of any of those charges that have been brought against him. He laid down a broad principle and I believe he has honestly and steadily followed that principle and whatever he has done, I think he has carried out the wishes of my Honourable friend and he has done what he has thought as the head of the Railway Administration to be desirable and necessary in the circumstances.

The Honourable Mr. C. A. Innes (Commerce and Industry Member): Sir, I would just like to take up the point taken by my friend, Maulvi Abul Kasem. I think that Mr. Hussanally has moved this Resolution under a sense of grievance. He had a sort of feeling that Colonel Waghorn did not carry out the pledge given in the House in September, 1921, on the strength of which Mr. Hussanally withdrew his former Resolution. I should like to correct that misapprehension at once. The misapprehension has risen entirely out of the fact of the word "or" being used in the printed record instead of the word "and." I have taken the trouble to look at the printed notes which preceded the moving of that Resolution and I find it clearly stated there that Colonel Waghorn suggested to His Excellency whose orders he took that a solution should be arrived at on the understanding that the reservation should be retained only in the case of mail and fast passenger trains. That shows that that was always the intention of Colonel Waghorn and in accordance with that pledge, within ten days Colonel Waghorn addressed all Railway Administrations. He addressed them not only in respect of third class carriages but also in respect of intermediate class carriages. I have got the replies of all the Railway Administrations here. On some Railways this distinction does not exist at all, and on other Railways it has been restricted to mail and fast passenger trains only. On still other Railways owing to local conditions the reservation still exists on other trains. But we have reduced the practice to the narrowest possible limits. Mr. Hussanally has suggested that by this small reservation we are making the congestion of third class carriages worse. Maulvi Abul Kasem has dealt

12 Noon.

with that objection. On these trains we reserve one or at most two,—I find in one or two Railways they reserve two compartments—one or at the most two compartments,—that is, seating accommodation for 10 or at the most 20 passengers, and that in a train which carries two hundred or three hundred passengers. That can make no impression upon the congestion and I do deprecate this attempt to treat this thing as a racial discrimination or a racial question. I do deprecate this attempt to show that these carriages are reserved in order to mark some distinction between a poor European and the Indian third class passenger, so as to show that the one is inferior to the other. Let me tell the House that there is absolutely no such idea at all. I would ask the House to remember that the Railway administrations regard this question, as their replies show, purely as a question relating to the convenience of their passengers. Those Railway Administrations which retain this discrimination say that they do it merely because of the difference in the habits between the European passengers and the Indian passengers and they think that by retaining this reservation they are consulting the convenience of their clients and that is the reason why this reservation is continued. It seems to me wrong especially at this time to try and make a racial question out of a small thing of this kind. As I say we have addressed the Railway Administrations, we have taken up the question with the Agents. The practice has been restricted to the narrowest possible limits and I think that the wisest course is not to make too much of a question of this kind but to let time correct it. I think myself that possibly we could do more with regard to the intermediate class compartments. I do not see any reason myself—why intermediate compartments should be reserved and I am quite prepared to suggest to the Railway Administrations that they should consider very seriously whether there is any necessity to continue this distinction in respect of intermediate class compartments. I consulted some of the Administrations by wire and I have already had a wire from one Administration saying that it does not think it necessary to continue the distinction at least in respect of intermediate class compartments but it wishes to continue the reservation of third class compartments. I think that will show that the Railway Administrations themselves are tackling the subject in a reasonable way and I suggest that the House should leave it at that. I hope Mr. Hussanally will take it from me that there is no desire on the part of the Railway Board or Colonel Waghorn or anybody else anywhere to evade a promise or pledge and I hope that in view of what he has said himself that a question of this kind must be tackled gradually and slowly and in view of what I have said he will withdraw the Resolution.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Sir, my Honourable friend, Mr. Hussanally, has practically asked me to take part in this debate. He may call me an Anglo-Indian or whatever he likes. The only thing I ask him not to do is to call me too early in the morning. Judging from the speeches of the two previous Honourable Members Mr. Mukherjee and Maulvi Abul Kasem, who have opposed this Resolution in strong terms it appears as if any intervention on my part is not necessary but representing the Domiciled Community in this Honourable House I feel I am called upon to say a few words on this Resolution, because the aim of this Resolution is to deprive a few of the poorer members of the European and Anglo-Indian communities of a railway travelling reservation that has existed for a very long time. It is not my desire, Sir, to claim on behalf of my community any special privilege or any racial distinction

[Lieut.-Colonel H. A. J. Gidney.]

whilst travelling on Indian railways. The Indian pays the same fare as I do and it would be absurd for either of us to claim *preferential treatment* in the same way as it would be out of the question for either of us to submit to any *differential treatment*. But the Mover of this Resolution seems to be singular in the tenacious way in which he has put it forward for this is the second time that he has brought this Resolution before this House. I would bring it to the notice of this Honourable House that on 1st March, 1921, my Honourable friend, Mr. Haji Wajihuddin, asked a question from the Member in charge of the Railway Department as to whether Government would be willing to reserve special accommodation in the first and second classes for Indians. Government said that it was not desirable. The same Member asked another question on 28th March, 1921, to the effect that, since Government did not consider it desirable to reserve these special compartments in the first and second classes for Indians, would they now discontinue the reservation of third and intermediate class compartments for the European and Anglo-Indian communities. Now, Sir, the necessity for some racial reservation must have been apparent to the Honourable Member when he put those questions otherwise he would never have asked them. The Honourable Member was again told by Government that it was not desirable to discontinue this reservation. Then later on on 10th September, 1921, my Honourable friend Mr. Reddi Garu, in a series of questions drew the attention of Government to Resolution II of the Madras Legislative Council, which purported to provide for the entire disappearance of all racial distinctions both in Railway accommodation and in retiring rooms, etc., and asked Government what action they were prepared to take on the matter. Government stated that there was no distinction whatever in the first and second class carriages between Europeans and Indians but that a slight distinction did exist in the shape of a reservation of 6 or 8 seats for the poorer members of the European and Anglo-Indian communities in the third and intermediate classes. My Honourable friend, Colonel Sir Danvers Waghorn, also told the Honourable Member that the reason for continuing this reservation was a matter of policy and the desire was to study more the interests of the Indian passengers, than the comforts of the few Europeans and Anglo-Indians who travelled in these reserved compartments. Mr. Hussanally was apparently not satisfied with this for I find that he moved a Resolution on the 28th September, 1921, identical with the one which he now moves with this difference: that ladies are not included or considered in it. In this Resolution Mr. Hussanally asks us to withdraw this reservation of 6 to 8 seats in third and intermediate classes for Europeans and Anglo-Indians. But, Sir, previous to this Resolution it may interest this Honourable House to know that it was the Indian members themselves who asked Government for similar special reservation whilst travelling. Mr. Hussanally, severe as he was on this doubtful privilege and extra comfort which these few poorer Europeans and Anglo-Indians enjoyed, was severer still on those Indians and Indian Christians who pretended to be Europeans, by the clothes they wore and so managed to travel in these compartments and enjoy this extra comfort. To support this Resolution, he has unfortunately introduced the racial question and commented on other aspects of this matter which to me have appeared not only undesirable but unnecessary. He also referred to certain criminal cases which resulted through the action of certain Indians who took the law into their own hands and transgressed the Railway Act, by trying to forcibly enter these reserved

compartments. Now, Sir, as I said before I ask for no special privileges even for the poorer members of my community. But I do believe in the truth of the adage that 'prevention is better than cure.' But let us look more carefully into this Resolution, Sir, and ascertain whether these 6 or 8 seats that are reserved for Europeans and Anglo-Indians is the only special or particular communal or caste privilege enjoyed by the travelling public in India, and when I make this comparison, I do not do so with a desire to be odious, bitter or complaining. This House knows that there are many caste privileges and reservations given to Hindus and Muhammadans when they travel and which are denied to Europeans and Anglo-Indians. To mention a few of these, there are special water-carriers, there are special water-supplies, there are special carriages reserved for Indian ladies, there are special waiting rooms, and to-day there are special refreshment rooms for the supply of food. I do not look upon these as privileges, I look upon them as necessities, because your caste principles, and your customs, demand such protection.

Mr. Jamnadas Dwarkadas: What is the quality of special arrangements made?

Lieut-Colonel H. A. J. Gidney: The Honourable Member must I fear put that question to the Railway Member and not to me. Well, Sir, these are a few of the special privileges the Indian passengers enjoy. Against these, put this small, *doubtful*, meagre privilege of reservation that my community enjoys to-day. Then, Sir, who was it that resolved on this reservation? 18 years ago a conference was held at Lucknow in which many Indian members were also present, and it was they who, realizing that unless they had this reservation which they said was to be restricted to Europeans and Anglo-Indians, there would be trouble; it was these very Indians who consented and who saw that, unless this reservation was made, it was likely to lead to petty squabbles and disturbances which I am sure everyone in this House wishes to see avoided. But, Sir, since then times have changed. But communal peculiarities, prejudices, customs and caste necessities change very slowly,—some of them do not and cannot change. I am aware, Sir, that there have been a few criminal cases, and recently there have been important criminal cases in which very serious issues have been involved, but, Sir, I believe, judging from what I have heard to-day, that the opposition against this privilege is not universal, and I have to thank those Members who have just spoken for the support they have given to what I have said. I believe, Sir, this reservation is not objected to in this Honourable House. In my opinion it amounts to a sort of dog-in-the-manger policy. The Honourable Mr. Innes has told us that any lingering idea in the minds of Honourable Members that this reservation is based on political motives or on any racial superiority is not true. It is a matter of policy, it is not a matter of racial distinction, but one of necessity, so as to avoid any unpleasant sequelae arising from mixed travelling of Indians and those of other communities who do not have the same customs. I have tried to show to this House that even if it did feel disposed to view this reservation as a racial matter surely I am entitled to ask, "why have you claimed, and why are you given, such a number of special privileges? Why should I whose customs are different to yours be denied these 8 seats in a few trains? Why cavil at the small privilege that my community has? You have your customs, I respect them. Equally in common with you, my community, both Europeans and Anglo-Indians, have their customs. If you do not respect

[Lieut.-Colonel H. A. J. Gidney.]

them, surely I am not asking too much when I ask you to respect them." Sir, let me visualise or portrait what might be an any day occurrence. Let us assume that this reservation is discontinued. We have one or two Europeans or Anglo-Indians travelling in an intermediate or third class carriage. Into this same carriage arrive say two orthodox Muhammadans and two Brahmins as passengers. The meal time comes as it must. These poor Anglo-Indians or Europeans have not got the money to have a meal at the dining car or the refreshment room. There is indeed no third class refreshment rooms as are provided to-day for Indians. This class of passengers usually carry their own food with them. The food, Sir, consists of food which is certainly objectionable to such fellow-passenger, what is the result? Objections—a heated argument and a disturbance.

These are the unfortunate incidents which are likely to happen any day and it is to avoid these unpleasantnesses that this reservation is necessary and was arranged 18 long years ago. My Indian friends in this Honourable House know, that I claim no privileges for my community but I do ask of them to respect my customs just in the same way as I am willing to respect theirs. My Indian friends in this House know that I lose no opportunity in impressing upon my community, especially those employed on Railways that they must treat their Indian brethren with the same respect which they expect to be treated by them but I am confident, Sir, that if this reservation is removed, it will only lead to trouble. It will open the path to quarrels which Indians, Europeans and Anglo-Indians are equally desirous of avoiding. I, therefore, request my Honourable friend Mr. Hussanally to withdraw his Resolution and even if it is pressed and accepted, the resulting gain to him and Indian travellers will not be commensurate with the trouble that is likely to arise in consequence, and it is to avoid this eventuality that I ask for the withdrawal of the Resolution and I ask Mr. Hussanally to be satisfied with what the Honourable the Railway Member promised him in September 1921. We have only to look at the trains to-day, with enhanced railway fares, to realise that hundreds of Anglo-Indians and Europeans, who a few years ago, could afford to travel in second class carriages find it impossible to do so to-day. I, therefore, challenge the Honourable Mover of the Resolution to prove that to-day these reserved compartments go empty. They go over-crowded. (*Voices: 'No, no.'*) This is my personal experience, and I say, Sir, that overcrowding and not emptiness does exist to-day in these reserved compartments for Europeans and Anglo-Indians. This emptiness may have existed a few years ago but certainly not to-day. I therefore again ask my Honourable friend Mr. Hussanally to withdraw this Resolution, and I am sure the Honourable House will support me in what I ask.

Mr. O. D. M. Hindley (Chief Commissioner, Railways): I think, Sir, I may perhaps be able to clear away one or two misapprehensions which may have arisen since the Honourable Mr. Innes spoke a few minutes ago. With all deference to Colonel Gidney, I think perhaps he has introduced some, what I may call, irrelevancies into this discussion. I look upon this primarily as a practical question of railway working, where the railway administrations must make the best arrangements they can for the different classes of passengers which they have to deal with. I think perhaps I can sum up all that has been said by Colonel Gidney and others

when they referred to this matter on racial lines by putting a little formula forward in this way. I think the difficulties which arise on railway journeys when passengers are cooped up together for long distances may be best described as mutual irritation. We cannot hope to define these things any further, and I think it is inadvisable to do so. We all know that mutual irritation does occur between passengers of all classes and creeds and races wherever they travel and I believe this small reservation which we have now brought about, the limitation which we have placed on this reservation on the trains, is going to assist in removing those slight causes of mutual irritation between fellow-passengers. I should like to repeat what the Honourable Mr. Innes has said we in the Railway Department are prepared to do in this matter. We are prepared to suggest to Railway Administrations that the reservation of Intermediate Class carriages should be done away with, though it must be left to the Railway Administrations to decide whether this can be carried out practically in all cases. Then I would like to refer again to an answer which I gave recently to a question put in the House in regard to Indians wearing European dress. It is understood to be the practice not to object to Indians wearing European dress travelling in these reserved carriages. We will, however, address the Railway Administrations and suggest to them that if this is not the practice in any case, it should be made the practice in the future. With these words I think, Sir, I may suggest again to Mr. Hussanally that he would be well advised to withdraw the Resolution.

Mr. Jamnadas Dwarkadas: Sir, I must confess to a feeling of amazement at the speeches made by my Honourable friend, Mr. Khagendra Nath Mitra and by my Honourable friend, Mr. Abul Kasem. I cannot understand, in the first place, why only a one-sided view should be taken of this question. My friend Mr. Abul Kasem has come forward, I do not know whether of his own accord or whether because he has been requested by some one, to defend the action of Colonel Waghorn. If there is one thing clear in Mr. Hussanally's indictment of the Railway Administration, it is this, that for some reason or another Colonel Waghorn has not been able to carry out the pledge that he had given to the Assembly. I am not here to find fault with him. I quite appreciate the difficulties that he may have to encounter. But there is no reason to defend Colonel Waghorn on the part of my Honourable friend, Mr. Abul Kasem. Now we have a philosophy preached by my Honourable friend, Mr. Khagendra Nath Mitra and my Honourable friend, Mr. Abul Kasem. We have just passed the Racial Distinctions Bill, why, they ask, do you want these racial distinctions by doing away with the reservation of compartments for Anglo-Indians and Europeans? I cannot understand the logic of this philosophy. After all what are we doing when we ask that this distinction should be done away with? We are only carrying out in practice what we have passed here. I do not know whether Honourable Members realise, or even Government realise, that a good deal of discontent in this country is due to the treatment that we receive because of the Railway Administration in this country. I can recollect, Sir, that one of the first things that I said to one of the highest officials on his arrival in India was that a good deal of discontent in this country prevailed because of the scenes that were repeated every day during the railway journey or on railway platforms; and any step taken to do away with any injustice that is being done to Indians by the present Railway Administration will be not a dis-service, but will be a great service to the country. We are asked to believe that we have "privileges," why should Europeans or Anglo-Indians

[Mr. Jamnadas Dwarkadas.]

not have "privileges?" My friend, Mr. Joshi, last year gave us a picture of what our "privileges" were. If such are the privileges that the European or Anglo-Indian demands, well, in fairness to them, we shall not have the hardihood to give them those privileges that are extended to our own countrymen. It is not a racial question. I want Honourable Members to believe me, and I want Government to believe me when I say that I am absolutely free from racial bias or racial consideration. Government will pardon my saying so, but if they perpetuate this distinction in cases like these of reserving compartments for Anglo-Indians and Europeans, we shall not be held guilty of perpetuating racial distinctions; those who advocate that policy will be held guilty.

Now, we were asked a question here, "is this going to help congestion if one more compartment is thrown open to you." It is not a question of whether it is going to help or not; as a matter of fact, it is bound to help. I will give you an instance from my own experience, that happened last year. We came here, leaving the work of the Fiscal Commission, to be present for the visit of His Royal Highness the Prince of Wales to Delhi. When I was going back the train was overcrowded with the result that my servants could not get into the servants' compartment; the Indian Princes' servants and the *sahibs'* servants were there. So my servants got into the compartment anyhow for the time being and stood for a station or two and then they found that there was a third class compartment available reserved for Europeans and Anglo-Indians, which they got into. There was no other way; it was an empty compartment and they got into it. Well, after midnight, the guard at a railway station went and asked them to clear out. There was a carriage and there were three compartments in that carriage absolutely unoccupied. The servants refused to get out. They said they could not get into the servants' compartment; there was no other room available in the whole train and so they had got into that compartment. The servants refused to get out and the guard threw them out bag and baggage. The servants came and woke me up. I went and asked the guard why he wanted to clear these people out. He said "this compartment is reserved for Europeans." I said "this is unoccupied, the train is full, why will you not let them get in." He said "there is one Anglo-Indian who wishes to occupy one of these three compartments and he objects to these people being there." I call it unconscionable and inhuman conduct not to allow these people, when there was no room in the train, to stay in other two compartments which were absolutely unoccupied. Sir, these things happen every day. Fortunately for myself, I had an eminent English lady travelling with us, my wife and myself. I do not mind mentioning her name, I have her authority for doing so. She was Lady Emily Lutyens, the sister of the present Governor of Bengal, and she characterised this conduct on the part of the railway authorities as appalling, and said that if these things happened in this country every day certainly there was some justification for the discontent and for the prejudice that prevailed.

Sir, all that is asked for is that we should do away with distinctions in railway carriages. The talk that we have had of the different habits and customs and my Honourable friend, Maulvi Abul Kasem's eloquent appeal that he did not want to travel with Mr. Mukerjee and Sir Alexander Murray but wanted to be left alone, all this is absolutely out of the question. Here is a bar placed against Indians, a badge of inferiority, I call

it, in spite of what my Honourable friends have said. What often happens, as I described last year, is that you find an Anglo-Indian stretching out his legs and smoking a cigarette comfortably in one compartment while in the other third-class compartments you find Indians huddled together and kicked by the guard. It is a thing which happens every day on every railway platform and, when the subject is brought forward, we find four or five speeches made even by my Honourable friends, Mr. Khagendra Nath Mitter and Maulvi Abul Kasem with a view to attacking my Honourable friend who has brought forward this Resolution. He demands nothing more than that fair treatment should be meted out to us, that this injustice should be removed and that a grave cause, which perpetuates the discontent among the poor masses, should be removed.

Sir, with all the power that I can command, I support this Resolution.

Maulvi Abul Kasem: I want to make a personal explanation, Sir. My name was mentioned by Mr. Jamnadas Dwarkadas. I did not like to interrupt his eloquence but the insinuation made by him that I was set up by any one is incorrect, unfounded and unjustifiable.

Mr. Jamnadas Dwarkadas: Sir, I am sorry I gave that impression. Nothing was further from my thoughts. If I have done so, I apologise.

Colonel Sir Henry Stanyon (United Provinces: European): Sir, after the heat generated by the last speaker, who worked himself up into a good deal of emotion over the hard case, the undoubtedly hard case, of his servants, my endeavour will be to try and get this Honourable House to look at this matter in its proper proportion.

British India is full of social difficulties and social anomalies. Education and a spirit of compromise are at work and are steadily overcoming a good many of these difficulties and anomalies. In education and the spirit of compromise to which I have referred is to be found the real remedy for them. The hard and fast cleavage and distinction between class and class, and race and race, is being steadily and gradually eliminated. The question is whether this Central Legislature is going to allow itself to be used as a social reform club, and to exercise its great powers and responsibilities for the purpose of wasting time over pinpricks of this kind. Distinctions do exist. Call them racial if you like. I myself think that many which are so-called are not really racial distinctions in the proper sense of the term. But they do exist, and for a long time to come they must continue to exist, and we must try, working together, to make the best of them.

Sir, I see railway stations with refreshment rooms reserved for Hindus and with refreshment rooms reserved for Muhammadans. I do not see at any station a refreshment room reserved for Europeans; and I am very glad not to see it. I am glad, however, to see that there are reservations of that kind made for Hindus and Muhammadans, because I have the highest respect for the conservative feelings which those communities entertain with regard to their food, their habits and so forth. I would no more dream of trying to force my way into one of those refreshment rooms, as one of the public having a right to go everywhere, than I would try to fly. There is no question among third class passengers now, whatever it may have been in the past, of racial superiority. It is a question,

[Colonel Sir Henry Stanyon.]

as has been rightly pointed out from the Government Benches, of travelling convenience. We have to face the fact, which is beyond our control, that a large number of Indians object to travel with Europeans, and a large number of Europeans object to travel with Indians. We are not concerned with whether there is any justice in these feelings. The feelings are there, and the Railway Administration have to deal with them. Now Indians travel in thousands, while Europeans travel in tens. If there are a hundred third class compartments in a train, surely, in order to serve this desire of the communities to travel apart, the natural thing for a Railway Administration to do is to reserve one compartment for the 10 Europeans rather than attempt to reserve 99 compartments for the thousand Indians. That is really, I think, very largely at the bottom of this reservation in third class carriages. I have had many journeys, and most interesting journeys, on railways in company with Indian passengers whom I had never seen in my life before, and I have always found them helpful, courteous and accommodating in every possible way. But I must confess that I myself have felt uncomfortable many times, not because I thought I was superior, but because I was afraid I might say or do something hurtful to the habits or feelings of my fellow-passengers. I recently travelled in the company of a pious Muhammadan who had liked to say his prayers in the carriage while the train was in motion. I was glad to see that he did not give up his habits, but I was uncomfortable. Similarly, if I were to travel with a high caste Brahmin, I should be most uncomfortable, lest I with my calf-skin boots and my European habits, should jar him at any moment. Sir, these differences are found even where there is no reservation. I daresay my friends have heard of and some of them may even have been to, such a place as a Cinema, where, in the one-rupee seats, you see both Europeans and Indians, you can see the same instinctive segregation there. You see the Europeans sitting together in one place and the Indians together in another; unless they happen to be Europeans who know Indians, and Indians who know Europeans and like to mix with them. The whole thing is so difficult to define that all that the railway people seem now to do is merely to look to the convenience of the different classes of passengers. I do not think for a moment that to-day there can be any talk in third class carriages of racial superiority. In 1st and 2nd class carriages reservation has been done away with, and we have the undertaking from the Government Benches given to-day that the same rule of non-difference is to be brought into effect in the intermediate class carriages. No blame attaches to a guard, who is bound by orders, for not allowing a compartment to be occupied which is reserved for a particular purpose. Such exclusion is not the act of the guard, and there should be no irritation against him; that man is merely doing his duty. I have been evicted over and over again for getting into a ladies' compartment which I found for the time being unoccupied by any lady; and I am very careful now. Sometimes I have found myself there to my surprise and horror; but I have never thought that the guard who turned me out was in any way abusing his powers. I think, on the whole, Sir, that the matter has been thoroughly ventilated. I see that there is a broad-minded view on the Indian side. I hope it will be believed that there is an equally broad-minded view on the European side, and that nothing will be done by a Resolution of this House to give room for any impression that the House uses its majority for the purpose of furthering what, in one or two of the speeches, has been

rather treated as if it was a racial question. I am jealous, as a privileged Member of this House, of the reputation that it holds, not before a small electorate, but before the world, as a Central Legislative Assembly; and for this House to pass hours in speaking of and arriving at a Resolution on the little question whether in one out of the 20 or 30 third class compartments the Railway Administration shall put people who want to travel by themselves and who are not wanted by the rest of the travellers, is, I think, a procedure that is far beneath the dignity of this Honourable House. The only matter that I would refer to is one other question that was raised of soldiers being given compartments to themselves. Sir, I say it with a considerable knowledge of this country that the average rustic who travels by the third class carriage would consider himself very badly treated if he was forced to travel with a lot of men who do not know one word of his language, whose habits are entirely foreign and who are brought up more or less to think of no one except themselves, apparently. (Mr. W. M. Hussanally: "They need not be in that compartment: they could go to another.") Moreover, this segregation of the soldier is a matter of discipline. Would my friend say that, when a regiment marches through a town, that they are occupying a reserved part of the street in going up together, and that they should indiscriminately march up with the rest of the population walking along the street out of order? Therefore, I say it is a very wise provision that soldiers should be put into separate compartments and travel by themselves. It is fair to them and it is fair to the Indian community also, and absolutely just. And I put it again to the Honourable Mover of this Resolution, as has been put by others, that the matter has now been thoroughly ventilated and that he will not try to drive this House to any Resolution on the question.

(Several Honourable Members: "I move, Sir, that the question be now put.")

The motion was adopted.

Mr. W. M. Hussanally: Sir, I should like to say a few words.

Mr. President: I will give the Honourable Member his reply but, as the closure has been carried unanimously, that ought to show that the debate has been exhausted.

Mr. W. M. Hussanally: I wish to say a few words if you will permit me. Since I have been pressed to withdraw this Resolution, I will do so, though I am not very pleased in doing so. I wanted, Sir, to reply to all the criticisms that were offered to my speech, but even that I will forego. I shall only say that I take up the challenge from Colonel Gidney when he said that these compartments go full. I still maintain and very emphatically too that in 9 cases out of 10 these compartments go empty or only with a solitary individual. But, Sir, Mr. Innes has given us an assurance that he will persuade the railway administrations to do away with the reserved intermediate compartments, though Mr. Hindley qualified that offer by a condition. I hope they will see their way to persuade all these Railway Administrations to do away with these intermediate class compartments for the present, and, in withdrawing the Resolution, I reserve to myself the right to bring it forward once more if I find that adequate steps have not been taken.

The Resolution was, by leave of the Assembly, withdrawn.

RESOLUTION RE SELECTION TO APPOINTMENTS UNDER GOVERNMENT OF INDIA.

Mr. K. Muppil Nayar (West Coast and Nilgiris: Non-Muhammadan Rural): Mr. President, the Resolution that stands in my name reads as follows:

"This Assembly recommends to the Governor General in Council that the Government of India in making appointments to offices under its direct control shall ordinarily, where the qualifications of candidates are adequate to discharge the duties efficiently by their education, ability, and integrity, give preference to those that belong to classes or communities which are not well represented in the service, due regard being had to Provincial considerations."

I wish an abler advocate than me had moved this Resolution. But the fortunes of the ballot are such and I shall content myself mainly with an introduction. I shall not detain the House long especially in view of the short time before us, but I shall leave the expert handling of the present important and delicate Resolution to its abler—I almost said natural—guardians. There are, however, some plain truths and the most important among them in my opinion is, Sir, that it is not enough if only the man who has passed an examination or who wants an employment to keep his body and soul together is represented in the Government services of a country. The executive of the Government has not only to carry out the Government's policy but has also much to do in the shaping of it, inasmuch as the officials form the Government's advisers and possess all practical experience in most matters. Viewed from this aspect, it will be seen how essential it is that every class and community must be properly represented in the services. It is also plain that the more the stake in the country, the more ought to be the representation. I am sure my friends will speak for their communities and I wish to supplement that with only emphatically urging the necessity of encouraging recruitment from my class, the landed interests. I am sorry their claims have not been adequately appreciated in the past. Then again, in a vast continent like India with her millions of people of various religions and languages, classes and castes, I believe it will be impossible to maintain general satisfaction without some such means as suggested in the Resolution for a long time to come—a time when we may find something more in common among her different communities. The Resolution is a very modest and moderate one. It is couched in such terms as to offend none. So, in commending my Resolution, I hope it will have the universal support of this House.

Mr. President: Resolution moved:

"This Assembly recommends to the Governor General in Council that the Government of India in making appointments to offices under its direct control shall ordinarily, where the qualifications of candidates are adequate to discharge the duties efficiently by their education, ability, and integrity, give preference to those that belong to classes or communities which are not well represented in the service, due regard being had to Provincial considerations."

I may inform the House that, of the four amendments on the paper, the amendment standing in the name of Mr. M. K. Reddi Garu appears to me to raise much the same question as that raised by the original Resolution. The amendment standing in Mr. Mukundaraja Ayyangar's name is out of order in so far as it invites Government to enumerate the population of India. It is in order in so far as it proposes to add a minimum educational qualification, and as far as the last six lines of it are concerned, they are a mere repetition of the original Resolution. Khan Bahadur

Zahiruddin Ahmed's amendments are not in order because they propose to deal with matter which properly ought to be raised only in the Legislative Council of a Province. The amendment of substance which is in order stands in the name of Mr. Jayanti Ramayya Pantulu whom I now call.

Mr. J. Ramayya Pantulu (Godavari *cum* Kistna: Non-Muhammadan Rural): Sir, I beg to propose:

"That in the Resolution which has just been moved by my friend Mr. Nayar, for all the words after the words 'shall ordinarily' the following be substituted:

'be guided by considerations of capacity, efficiency and character irrespective of caste or creed'."

Sir, the object of my amendment is to ask the Government not to accept the Resolution moved by my Honourable friend, Mr. Muppil Nayar, but to continue to follow the practice which they have been following hitherto. My objections to the Resolution are fourfold. The first is impracticability. The Resolution wants Government to give preference to communities that are not at present properly represented in the services "with due regard" also "to provincial consideration." I think that if this contention is pushed to its logical extent we shall have to consider not only provincial considerations but also religious considerations, communal considerations, caste considerations and so many other considerations. Let us take the provincial considerations. We have a fairly large number of provinces in India, but if you combine linguistic and provincial considerations, how many linguistic areas have you got in India? According to our old books there used to be 56 countries making up the whole Indian Empire. Probably their number is larger now. Let us take it at 56. Then you will have to take 56 areas into consideration, that is so far as provincial and linguistic areas are concerned. Then you will have to take castes and communities into consideration—Muhammadans, Hindus, Jains, Sikhs, Buddhists (*A Voice*: "They are all Hindus.")—I do not think our Jain friends will admit that. In each community there are sub-communities. Take the Hindus. Do the Hindus form one community? There are at least four castes, and each caste has many sub-castes, and in each sub-caste there are many subdivisions, and if statistics are to be compiled on the lines suggested by my Honourable friend, Mr. Mukundaraja Ayyangar, you will have a very big book. How is the Government to apportion the appointments among all these communities? First by provinces, then by languages, then by religion, then by castes, by sub-castes—how is it to apportion these appointments among all these different communities? This communal constitution if it is to be properly constructed will be a labyrinth and one would lose himself in it. Therefore, I say that it will be simply impracticable. Then take the case of the Panchamas, the lowest class, the outcastes. Where will they be in a system of communal representation in the services? The Panchamas—are they to be represented in the services or not? If you are going to give representation to each community, here is a community which forms by far the largest community in the whole of India. The Panchamas, in numbers, exceed any other community, I think, and where will they be? If you want to have regard to efficiency or competency, not one Panchama in a thousand or even in ten thousands will be found fit to occupy any of the appointments. Practically, then, all of them will have to go unrepresented. Then, where is your communal representation? What is the great grievance that those communities which are not well represented in public service at present have? Why is it that they are not so well represented? Let me take the case of a few communities in my own

[Mr. J. Ramayya Pantulu.]

part of the country. Take the case of the community to which my Honourable friend the Mover of this Resolution himself belongs. The Nairs, Sir, are one of the most intellectual communities in the Madras Presidency: not only the males, but the Nair ladies are among the best educated ladies in the whole of India. They are educated not only in Malayalam but also in Sanskrit. I am told that there are very good Sanskrit scholars among the Nair ladies. The Nair community is the community to which Sir Sankaran Nair belongs and to which the late Dr. Nair, the founder of the non-Brahman movement belonged. I am surprised, Sir, that a member of that community should come forward to move this Resolution as if his community has any grievance. So far as the Nairs are concerned, they are already at the top.

Then take the case of the Vaisiyas or Banias who are non-Brahmans. You do not find them well represented in the services, and why is that? The entire trade of the country is in their hands; and being tradesmen they are naturally very shrewd people. You do not find them wanting in intelligence; the wealth of the country is in their hands and yet you do not find them represented in the services and that is because they do not think it worth their while to get into the services and give up the more lucrative business of traders and merchants. And that could be the only reason why they have not entered the services, for nobody could have prevented them if they had wanted to enter. Why they are not found in the services is simply due to the fact that they have not found it worth their while to enter them.

Then again, Sir, take the case of another community to which my Honourable friend, Mr. Reddi belongs. The Reddis of the Nellore district are well known to be a very intelligent and highly educated class. Here again I would say that the ladies of this community are traditionally known to be highly educated and intelligent. In this community you will find several Telugu and Sanskrit scholars. They are very rich people, some of them are zamindars and they have a virtual monopoly of the agriculture of the country. The reason why they are not represented in the services is that they do not find it worth their while to enter service; it does not pay them, and they are much better off as they are. But in any case, at least under the British Government, has there ever been anything in the nature of a restriction upon any class or community trying to better its position? All that is aimed at even in the most democratic country is equality of opportunity for all people. Can anyone say that under the British administration, any community has been deprived of opportunities of improving and distinguishing itself equally with any other community? I do not think, Sir, that anybody can say that. The British Government has always proceeded on the policy of governing the country in the equal interests of all people without any distinction of caste, creed or colour, and I believe they have on the whole acted up to that principle; although in my own part of the country we sometimes come across advertisements of appointments with a *nota bene*—"No Brahmin need apply". The

1 P.M. Bureaucracy, whatever sins it may have to atone for, can undoubtedly be credited with having filled up the public offices only with a view to efficiency and the proper discharge of the duties appertaining to the offices. Favouritism there has been certainly, but it has not been in favour of the intellectual classes; favouritism whenever it has been exercised, has been exercised to the detriment of the intellectual classes.

Nevertheless, they have had always an eye on the efficient discharge of the duties attached to the offices. I, therefore deny, Sir, that any community has been deprived of any opportunity of entering the public service by availing itself of the educational facilities which have been offered by the Government, and if certain communities have not availed themselves of those facilities, it is because they have found that it does not pay, it is not worth their while to do so, that it pays them better to do something else. Let us go to Bombay. What do you find there? The trade and commerce of the country is entirely in the hands of Parsis,—or in the hands of Parsis and Guzeratis. Are we going to say that these people have had a monopoly of these things and therefore, hereafter, there should be communal representation in commerce, that you must distribute this trade and commerce among the different communities according to their numbers? I suppose, Sir, this has only to be stated to be condemned. Each community or each individual chooses whatever course of life seems to him to be good for him, and whatever course of life it or he is fitted for; it is a case of free choice and free competition, and, if, as a result of that free competition, some people have more of one thing than others, I do not think you can attribute it to any favouritism or nepotism or jobbery, and I do not see how you can improve things by simply insisting upon everyone of these professions being apportioned among the different communities on simply a numerical basis. What would be the effect of any such communal representation on the administration of the country? What does a private employer do? The private employer wants to employ the best men that he can get for his money because he finds that it pays him best. Take the case of an architect, of an industrial man, a mill-owner, he will employ the best labour that he can get for his money, he will not look to communal representation in it. Himself may belong to a community which is not well represented in the services in his own mill; I do not think any mill-owner who is a business man, who does business on business lines, would be so foolish as to insist upon a certain number of people in his mill belonging to his own community. Such a man will not be able to keep his business going, I think, for a month. Well, if that is the case with the private employer, who should ask Government, which is the largest employer in the country, why should it follow any other principle? Is not the tax-payer entitled to get the best value for his money? You want a certain type of man for doing a certain piece of work; you attach a certain salary to the job to attract a really useful, capable man. Having done that, is it not your duty to try to get the best man that you can possibly get for your money for discharging the duties of that appointment? Is it not reasonable that the only consideration with you in filling that appointment must be efficiency, which out of all the applicants can be trusted to discharge the duties of that post most efficiently and intelligently? What do you do if you have got a case in a Court of Law in which you are to be defended or you want to prosecute or you are to be represented in a civil suit? You naturally go to the best Pleader that you can get for the fee that you can afford to pay. There, you do not think of communal representation. You do not necessarily go to the Vakil who belongs to your sect or race or creed, you go to the best man that is available. Then, take the case of doctors. If you are in bad health, you naturally go to the doctor who you think will be most useful to you, the only limit being the limit of the money that you can pay him; and I do not see why you should adopt another procedure in the case of the public service. Then, take the case of military service. Our Indian Army is monopolised by two classes, the Pathans and the Sikhs (*A Voice*: "No.") largely. At any rate you

[Mr. J. Ramayya Pantulu.]

do not maintain that all the communities in India are represented in it. You do not, on that account, ask the Government to disband all these regiments and re-fill them on a communal basis, consisting of so many Hindus, so many Muhammadans, so many Brahmins, etc.; and will an army constituted like that be able to defend India? Will it be of any use? The rule which ought to be followed in this as in all other cases is to put a man in the place for which he is best fitted. That is the only rule. Once you depart from that rule, you do not know where you will go. It will be impossible to depart from that course and give any weight to the considerations of communal representation without demoralising the whole service.

Mr. President: I must ask the Honourable Member to draw his remarks to a close.

Mr. J. Ramayya Pantulu: There is only one other consideration which I want to put before the House, namely, the political consideration. What will be the effect of communal representation in the services on the political future of the country? We all want self-Government and immediate self Government also we want. Self-Government presupposes a nation, consolidated nation, and we want to build up a nation as fast as we can. Now, is not communal representation not only in the Legislative Councils but also in the services calculated to emphasise and perpetuate the communal differences which already exist in matters of religion and quasi-religious customs? Is it not calculated to emphasise those differences also in the public life of the people? Does it conduce to this nation-building, or help the growth of the nation, this perpetuation of the differences not merely in matters which are purely religious, or quasi-religious, but also in the public life of the country? I think, Sir, it will be impossible to ask for self-Government if you insist upon having communal representation in the services. Communal representation is entirely opposed to the spirit of self-Government and it lays the axe at the very root of your demand for self-Government. The answer which this Assembly gives to the question raised in this Resolution will indicate the measure of the depth of the desire which this House has for our self-Government, and I want the House to bear this in mind in deciding this question. Sir, I oppose the Resolution.

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): Sir, I this morning regretted the Resolution brought forward by my Honourable friend, Mr. Wali Muhammad Hussanally, and I consider that the Resolution which has followed is really unfortunate; but as it has cropped up and as it is being discussed, I will be failing in my duty to my constituency if I do give only a passive support to the Resolution moved by my friend, Mr. Muppil Nayar. Whatever my friends may think of it, I would draw their attention to the amendment which has just been moved by my friend from Madras. I would tell him that what he states in that amendment has been clearly and more solemnly and definitely stated in the great Proclamation of the Great Queen Victoria. That Proclamation exists; it has been re-affirmed by the successors of Her late Majesty and the Government of India. Where was then the necessity for our friends on this side of the House to come forward with Resolutions in season and out of season for the Indianisation of the services and the Indianisation of the Indian Army? The reason was that there was some defect on the part of the Government in giving effect to that Proclamation, not only in its letter, but in its spirit.

Sir, my friend over there says that the Government, in making these appointments, should be guided by character, integrity and efficiency. I believe, Sir, he will agree with me when I say that these qualifications are not the monopoly of a particular community or a particular sect. The Resolution as placed before the House is very wide and elastic. It does not ask for the sacrifice of efficiency or in any way the utility of the office by putting into it unqualified men, simply because they happen to belong to a particular community. But I submit for the consideration of this House that there is ample justification for demanding that where the necessary qualifications, whatever they may be, are available, communities and classes which are not represented, should be represented in the public service. May I have the indulgence of the House to say, Sir, that a community in a country derives its importance, its influence and its powers on various grounds, on population, on wealth, on education, and I may add, on the share it has in the administration of the country. How are you going to give that share in the administration of the country if you do not get those communities adequately and properly represented in the services? A reference has been made, Sir, to self-Government which is looming large before us and to nation-building. Now-a-days it has become a custom with some of my countrymen and friends to build constitutions and to draft them, but I believe that an attempt at nation-building was made—that the first attempt that we made to build a nation and to lay the foundations of self-government was that in the historic sitting at Lucknow when we entered into a compact. I am sorry, Sir, that in this House I find very few members of that compact. My friend, Mr. Iswar Saran, myself, Mr. J. Chaudhuri and Nawab Sarfaraz Hussain Khan are the only people left, and I believe Mr. Jamnadas Dwarkadas was one of them. We entered into that compact, and I claim, Sir, on behalf of that body, which sat in the tent at Lucknow, that we made self-government possible in this country by entering into that compact, and that greatly helped in the Montagu-Chelmsford Report which would have been quite impracticable but for that compact. I draw attention especially to that compact, because in that compact it has been laid down that a certain proportion of the seats in the legislative bodies—and the proportion was defined therein—should be held by Muhammadans and Hindus. And what was the reason that guided us in that compact? It was because we found that, as long as the minority or the Muhammadans were not given sufficient strength and sufficient representation on these legislative bodies, it would be impossible to take the country with you. You want to build the nation. And what does the nation consist of? It consists of individuals and individuals are grouped together in various communities and classes. If you want to build a nation, it will be by raising each community and each class and not by suppressing others at the expense of one particular class or community. That is not the real nation-building spirit. Sir, yesterday morning a question was asked, and I think asked very injudiciously, whether a Muhammadan was to be appointed on the Royal Commission that is coming out to this country. That was beyond jurisdiction, but I was pained and shocked when some of my most distinguished friends in this House, for whom I have the greatest respect, came forward with supplementary questions ridiculing the idea. (*Cries of "Shame" .*) That was a thing I regretted very much. This policy of pin-pricks does not go a long way towards nation-building. If we want to build a nation, we have to consolidate it and in consolidating it we have to help to raise all those various factors which make up the nation, and the real way to get self-government and build the nation would be to raise your younger brother or those who are not in such fortunate circumstances as you are placed.

[Maulvi Abul Kasem.]

Reference has been made, Sir, to commercial houses and millowners, but I should like to submit for the consideration of my Honourable friend over there that commercial houses and the State do not occupy the same positions. In a commercial house or in a mill it is the owner who has to decide which way his interest is to be best served; in the State it is the public money, the money subscribed and paid by the public at large that is spent, and the State exercises a dominating influence over the people and the various communities have a right, and a justifiable right, to demand that they shall have a finger in the administration of the country. If we do not recognise the principle of communal representation in the services, we have no business to demand the Indianisation of the services. Leave it to the discretion of the Government and have the best man for the Army and for the Civil Service, whether he is an Englishman, an Australian or an Indian; and, if you admit it in one case, you must admit it in the other.

With these words I oppose the amendment that has been moved and support the Resolution as it stands.

Sardar Bahadur Gajjan Singh (Punjab: Nominated Non-Official): Sir, I rise to support the original Resolution. I know that in so doing I shall be incurring the displeasure of many eminent and distinguished Members of this House, but I recognise that, as long as the question of minorities with which the important question of communal representation is primarily concerned is not solved in a statesmanlike manner or I should think in a generous and liberal manner by those who are in a majority, it is idle to have any idea of Swaraj or self-government. We, Sir, here representing minorities are not at all prepared to commit suicide and bring down on ourselves self-annihilation. I represent a minority in the Punjab, not of Hindus or of Muhammadans but of the Sikhs, who were not at all a party to the so-called compact of Lucknow. In fact, this is one of the main objections on behalf of my community that that compact was not just and right in so far as it ignored the Sikh community altogether. Those who know the Punjab, those who know the Sikhs—for them it is impossible to ignore an important community like ours. We in the Punjab, Sir, occupy a unique position. It was only some 70 or 80 years back that we were the rulers of that Province, and I beg to assure the House that we are not at all prepared to accept any humiliating and subordinate position in the Province as well as in the affairs of the Empire. The ideas of past glory are still fresh in our minds. When there was no communal representation, I dare say that during the old Punjab Council days in one election not a single Sikh was elected, because we are scattered here and there and it was rather difficult for us to be in a majority in any single constituency. We brought our grievances to the notice of Sir Michael O'Dwyer, the then Lieutenant-Governor, who agreed that unless communal representation was given to the Sikhs, they would be nowhere. We came here to Delhi in a deputation and called upon the then Secretary of State and the Viceroy.

Mr. J. Ramayya Pantulu: May I rise, Sir, to a point of order? The Honourable Member is speaking of communal representation in the Legislative Councils, while we are now dealing with the question of communal representations in public services.

Sardar Bahadur Gajjan Singh: This constitution was then under consideration. Of course, communal representation to the Sikhs was allowed. Now, I submit, Sir, when the original principle of representation in the

Councils has been recognised by communal representation, I see no reason why the same principle should not be applied to the public services. It is probably true that such communal representation is obstructive in nation-building, but those who desire to build the nation—it is their duty to formulate plans and schemes for safeguarding the interests of minorities. It is impossible for them to ignore us. If they think that they can carry things in this Assembly by sheer force of majority, let me warn them that by so doing they will be taking themselves far from the goal of self-government. As has been pointed out by my Honourable friend, Mr. Abul Kasem, in India the nation would essentially consist of communities, and unless all communities are properly represented in the service of the country, no nation-building is possible. May I ask the House why we should grumble at the domination of the bureaucracy if we, on the other hand, by our own action produce an element who can dominate us in place of the bureaucracy. To make myself more clear, let me ask why we should remove one sort of domination only to replace it by another? We in the Punjab—I am referring, of course, to the Sikhs and the Muhammadans—and I think that the position is the same in the Islamic world,—though we are in the minority, we do not want to sacrifice ourselves altogether. We wish to take our share in the government of the country, and unless a fair share is assured to us, I must say that the work of those whose goal is self-government must be very very difficult if not impossible. I may perhaps freely admit that, to start with, communal representation is an evil in the way of nation-building; I maintain that it is a necessary evil, but it ought to be respected and given effect to. My friend opposite while speaking on the last Resolution pointed out that there are anomalies, and difficulties which have to be overcome by tact, by education and by other legitimate means. Similarly, I appeal to those who are so anxious for nation-building, to try and safeguard the interests of the minorities in the public services. If we get no representation, as has been rightly pointed out by my friend, Maulvi Abul Kasem, our social position will at once dwindle down. Now, Sir, speaking of my own community, as probably many of the Honourable Members of the House are aware, though we are one in 100 in the population of India, yet we supply one-fifth of the Army of the British Indian Empire. We have got historical and political importance in our favour. We feel that what little is conceded to us is not at all sufficient for our purposes. Now take the case of this Assembly. Out of a total number of 140 or thereabouts, there are 2 elected Sikh Members here, namely, Sirdar Gulab Singh and Bhai Man Singh—I am by nomination only—while my friend, Baba Ujagar Singh Bedi, does not represent the Sikhs; he is a representative of the big landholders of Hindus, Muhammadans and Sikhs. Anyhow, though we are very few, we are here, and we can place our point of view before the House, and I have no doubt that, if you exercise your sound common sense and impartial judgment, our grievances will be listened by you. I do not claim, Sir, that the various communities should find representation in the services even if they are not qualified. Far from that. The Resolution on that point is very clear. I am not in favour of sacrificing the efficiency of the services, but where efficiency, education and character are the same, then I submit there is absolutely no reason why preference should not be given to those communities who are not adequately and properly represented in the services of the country. The principle of communal representation, as I have said, is a necessary evil, but it has been recognised by the leaders of the most important political bodies of this country—I refer to the Moslem League and the Indian National Congress. Those bodies very wisely

[Sardar Bahadur Gajjan Singh.]

at Lucknow entered into a pact and met the objections of the minorities. Similarly, I appeal to you, the leaders of majority communities, to deal with this question in a similar statesmanlike and sound manner. Do not throw us out of court by a mere vote of the majority. Deal with us with justice, deal with us even with liberality. We are with you. But if you deny our just rights, I am afraid we will not agree to that course. As I have submitted, we are not prepared to commit suicide. We want Swaraj, local self-government, in which all communities are duly and properly represented. We are certainly against a Swaraj in which one community will dominate all others. I therefore with all the strength that lies at my command beg to oppose the amendment of my friend, Mr. Pantulu. The case of a doctor and engineer is entirely different and therefore I am only sorry that a gentleman of his standing and education should advance such instances. I must remind him, that if it is the case of a doctor, if I am sick and I find that there is a Muhammadan and Sikh, members of the various communities equally qualified, I would no doubt prefer my own man because for the simple reason that he understands me, my customs and habits, my way of eating and drinking. He will be more useful for me. And the same remarks apply to others. The case of the millowners is entirely irrelevant, and has nothing to do with our case. Here the Government of India is in charge of the funds of all the communities and these funds have to be doled out to services. We have kept our funds in that exchequer, therefore it is perfectly clear that we have force in the administration of those funds. And I think his objections are all met by my saying and by the words of the Resolution that efficiency must be the principal thing to be taken into consideration. We do not say, if a graduate is required for the proper discharge of the duties, take an unqualified Sikh or Muhammadan. We say, we have got our graduates and you have got your graduates. But you are strongly represented in the public service. You can give us preference. That is all we say. I have no doubt that the claims of the minority communities will be treated in a generous and liberal way. With these words, Sir, I strongly support the original Resolution and oppose the amendment of Mr. Pantulu.

The Assembly then adjourned for Lunch till Twenty-Five Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty-Five Minutes to Three of the Clock. Rao Bahadur T. Rangachariar was in the Chair.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): Sir, like the present occupant of the Chair, I am I hope a tolerably good Hindu, and I am not likely to benefit much by the sartorial concessions announced this morning by Mr. Hindley, in respect of third class railway compartments reserved for Europeans. I sometimes look up the almanac. To-day's astral influences seem to be adverse so far as racio-communal differences are concerned for we were obsessed by them all the morning. One would have thought that this is the silly season of the Legislature and we are usefully filling up the gap between the new reduced figures of the Budget being supplied to us in a lump and our attempting to formulate

vapoury proposals about further reduction. We had however an interesting day. It was to have been half a day debate but has been extended. I hope by the extension the adverse astral influences have passed away and it will be possible now to arrive at some sort of a settlement that will prevent further dissipation of energies and be acceptable to all parts of the House, not excluding the Government. We cannot conceal from ourselves that differences exist, and they have to be reckoned with. Naturally, after the reforms came, they have crystallized themselves; when people find that there is substantial gain to be had by participation in public affairs, though some believe or pretend to the contrary naturally, different communities and provinces want their places. It would be wrong, it would be unpatriotic, not to take note of them and to allow for them and to make up differences as best as may be. Sir, speaking for Bengal. I have no hesitation in conceding that the other provinces have claims which should be recognised and given effect to, though my province may suffer thereby, as it has been steadily suffering in the recent past. But Bengal is very glad. Bengal is almost proud that the work that began there and gradually spread to the other provinces and that it is to grow from more to more, that all the provinces and communities are, in the wake of self-consciousness that has followed, realising that they are capable of formulating and enforcing their demands accordingly. Sir, if in the result some communities or provinces that have so far done well have to suffer, I say, it is all in the day's work. That position has been accepted. I do not want to refer in detail to the question of pacts and percentages. If we have to go on and get on, as we must, these are factors that must be taken into consideration and given due effect to. If any one had substantively put forward considerations to the contrary, that like all claims in favour of bare vested interest would have to be brushed aside. But have we any real difference to-day so far as the Resolution and the amendment before us are concerned? Reading closely between the lines of the original Resolution as moved by Mr. Nair and the amendment of Mr. Pantulu, I myself do not see much difference. So long as the test of efficiency is not to be discarded, and it can never be discarded, how can any one object to all the country sharing equitably? Whether in regard to legislative powers or administrative powers there can be no valid objection to their being fairly divided among those that desire and are entitled to them. Neither the Resolution nor the amendment seek as we understand and as we have been assured to do away with the efficiency test. And Government must be left a free hand. It is after all a little difference in wording that has been detaining us all day and if by further clarifying these matters it is possible to arrive at some settlement that will be acceptable to all, I would ask for your leave, Sir, and that of the House to move an amendment somewhat to the following effect:

"That this Assembly recommends to the Governor General in Council that in making new recruitment for the services under the control of the Central Government steps should be taken to secure that the services are not unduly over-weighted with representatives of any community or province."

Mr. W. M. Hussanally (Sind: Muhammadan): May I suggest "any one community"?

Sir Deva Prasad Sarvadhikary: If that makes the position clear I do not mind it, but 'any' is sufficiently expressive . . .

Mr. J. Ramayya Pantulu: May I request you to read it once more?

Sir Deva Prasad Sarvadhikary: "That this Assembly recommends to the Governor General in Council that in making new recruitment for the services under the control of the Central Government steps should be taken to secure that the services are not unduly over-weighted with representatives of any one community or province."

The reason why this is somewhat more restricted than the wording of the Resolution, particularly, with regard to the new recruitment, is that no Government can be asked or expected to upset what is in existence already and whatever may be decided on will, therefore, have to apply to the making of new recruitment. I have not introduced words regarding insistence on efficiency and other tests because that is commonplace and that is common ground. All are agreed that that test can never be given up. (A Voice: "Why not include it?") I do not consider it necessary because it would be as absurd to expect Government to tolerate inefficiency test as to ask it overtly to do the obvious and exercise the efficiency test. What we want to aim at has been freely given expression to. It is that other things being equal there shall be no undue monopoly on the part of any community or province. Provided, the other tests are passed, all the provinces and all the communities must have due consideration of their claims and must have those claims recognised in a practical manner. That is the position that this amendment tries to bring out, and I believe it is in a line both with the essential spirit of the Resolution and the amendment that has so far been moved. The elements of disintegration are already far too great and I do not think that we need accentuate and aggravate them further. A great deal of hurt will follow as our enemies want it to follow—if anyone community or representatives of any community decide to take their own action towards further disintegration. That will be hurtful to the general weal, and we have to close up our ranks, from that point of view, and as a method of settlement, that I believe should be acceptable to all, and if not to all, I hope to the majority of my Honourable friends here, I have ventured to put the further amendment before the House. Sir, I do not want to go into detail or notice the various cross current references that have been made. There have been unfortunate differences in the past. Those differences we are trying to make up in order that enemies of the Reforms and opposers of their expansion may not profit by them. Reference was made to the question of Indianisation of services and it was asked if Mr. Pantulu's argument was to hold the board. Why think of Indianisation at all? There would be some sense in that if our object was mere Indianisation and for the sake of so-called Indianisation at any cost and at the expense of every thing else. That is not so. We are troubled with serious financial difficulties and they will be more soon. We have to economise and economise very largely in every direction. The question naturally arises whether for the money that we are prepared to spend and can spend by anything short of Indianisation, in the sense that we have accepted financial equilibrium will be possible and whether popular aspirations would be met. These are the two points of view from which the question of Indianisation has to be considered. If Indianisation for the sake of nude Indianisation is not the objective of those who press for it, an inefficient Indianisation is not our goal. Either it would be bad economy. We are in this position that we cannot pay the large salaries that would be involved if rigid Indianisation was not insisted upon. Therefore I do not think that that question can arise on the present occasion. Conceding that Indianisation is to follow, all the different elements that make up India will have to be considered. The Resolution need hardly have been brought

forward, certainly not because the Government are not alive to the situation. Government has already made repeated announcements that the claims of the different communities and provinces would be taken into consideration; when Government makes further recruitment this announcement is to be acted upon. I do not think that it can be the object of any one responsible either for the Resolution or any of the amendments, that the existing state of things should be upset or that the principles advocated should be carried so far as to be applicable even to the grading and the promotions and various other details of office procedure stage by stage and from time to time that would be impractical and intolerable. It should not be necessary and obligatory on the part of Government to have these considerations constantly before them and to give effect to them. I think those are considerations that ought to be clearly outside our mind. Once recruitment has taken place the meritorious will succeed and there ought to be no further reason for grievances. Well, Sir, Madras gentlemen have made themselves responsible for this Resolution and the amendments. I do not know whether Madras itself can have any grievances. Those who have been watching the progress of events and going round the offices come across Madrasis in abundance there . . .

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): There are more Bengalees.

Sir Deva Prasad Sarvadhikary: There are more Bengalees in the lower grades but the higher grades are being gradually absorbed by our Madras friends. I never grudge that or envy that. We are Indians first and Bengalees afterwards. I openly and expressly said that Madras by dint of diligence and industry is getting its due and I wish them joy about it. That ought to be so with regard to every province and as I began by saying that Bengal is the last to grudge this, it does not want to make a grievance of the situation. To my Bengalee friends I have had occasions to remark that Madras is now trying to do what Bengal used to do, and if Bengal has had a setback, it is up to it to make up this deficiency and compete with Madras and Bombay and the Punjab and regain its position. It can, if it will, but that is no reason why it should grudge what other provinces, by their industry and diligence, are acquiring. There ought not to be any grievances, so long as the tests of merit and efficiency are rigidly adhered to. Amity that ought to exist between the provinces and the communities should not be artificially interfered with.

(At this stage Mr. President resumed the Chair.)

Having regard to all these considerations, Sir, I beg to move the amendment that I have read out, which I hope will meet the views of all the sides of the House and ought to find acceptance.

Prince A. M. M. Akram Hussain Bahadur (Calcutta and Suburbs: Muhammadan Urban): Sir, I have seldom ventured to open my lips in this House, and if I rise to-day to break that golden silence for which I have almost acquired a reputation in this House, I do so because I feel strongly about the subject and because I have had the honour of representing the views of the community to which I belong in another capacity elsewhere. Sir, I am perfectly aware that the subject which we are discussing this afternoon is a very delicate subject; it is a subject on which many eminent authorities have pronounced their opinions; it is a subject which they look upon with great disfavour, I mean the question of communal representation. There is no doubt, Sir, that this question has

[Prince A. M. M. Akram Hussain Bahadur.]

been stigmatized by them as a pernicious principle which is calculated to destroy and to counteract the influences of patriotic politicians and wise statesmen. With due deference to the views held by eminent authorities, I beg to differ from them. To my mind, whether it be in the matter of franchise, or in the matter of services, it is a principle which is both sound and wholesome, and I say it is essential, wherever Governmental action is concerned. Sir, the transplantation of ideas and systems bodily into this country from the United Kingdom or from any other European country is generally the vogue, although those ideas, may not be suitable to the peculiar conditions of this country. It is so easy to view a thing from your own particular standpoint, and so very difficult to look at the same matter from an opposite point of view. Generalizations and formulations of principles which look very attractive on the surface are a craze in the educated world, although in their application these principles may sometimes act to the detriment of certain classes and certain interests. India, Sir, is a heterogeneous country of diverse communities, not infrequently jarring against one another, where any provision that tends to reduce friction is a positive necessity. The degrees of civilization and culture between men and men are so wide and varied that it is impossible for the different sections of these inhabitants to march abreast. India, Sir, is at present really in a melting pot and Western culture and civilization which the Britisher has introduced into this country have revolutionized the whole aspect of affairs. Our sensibilities and perceptions are at once quickened and we are more than ever anxious to cling tenaciously to the rights and privileges which we possess and to claim others to which we think we are legitimately entitled. No community views with equanimity the superseding of another community in any branch of human advancement. Some are more perturbed than others but none is unconcerned. The task of governing this country will be more and more complex and difficult as years roll on. To attempt, therefore, to ignore the rivalry and competition that exist between one community and another is the height of folly. To treat them as a whole and leave them to the course of nature to sink their differences, to overtake those far ahead of the others and to eventually come up in a line without in the mean time suffering loss of opportunities and without losing hearts is to expect the impossible. They are in this unequal race liable to be side-tracked to avenues of discontent and even bitterness towards a Government that has refused to recognise the unequal start. To advance all sections of the people and to enable them to come up in a line is an essential duty of every good Government, and if Swaraj or Self-Government is to be attained the process lies in holding the balance even until the backward communities have come up in a line with the more advanced ones and have learnt not to think of their little selves but to think of the Indian nationhood as a whole. It is then and then alone that the necessity of communal representation either in franchise or services shall vanish. Until that stage is reached it is the paramount duty of Government, if it has at heart the equal development of the component parts of the country under its rule, to see that every part receives that fair treatment which it has a right to expect and that it is protected against the inroads of stronger rival factions. It is the duty of Government to see that no one section, however large in number and however clever, is allowed to dominate the situation. Every community must know its place and must have its due share of the loaves and fishes of office which are at the disposal of the Government

of India. When I say this I am keeping in view the claims of important minorities and majorities who differ fundamentally from one another and not of lesser sub-divisions and still lesser sub-divisions of castes and classes, where variations in the matter of faith and conduct are not sufficiently great to warrant their recognition as a separate entity. To try to be just to these minute ramifications of classes and creeds is again to attempt the impossible. But there is no reason why the broad divisions which in characteristics are essentially different from one another should not be recognised and should not be represented in the services of the State. It has been said, Sir, with much show of reason that the services are not representative institutions. It is true that they are not. But if India is to travel on the road to self-Government, it is of the utmost importance that she should be prepared for it and that these services whether in the Central or the Provincial Governments should be representative institutions, and the sooner Government show its wisdom in recognising it, the better for it. No forced attempt to develop India into

3 P.M. nationhood will succeed unless the composite parts of it have been taught to be in their proper places and to respect the just and proper rights of the other parts. It will never do to believe and make believe that India is automatically welding itself into a national unit wherein petty selfishness and mean communal jealousy will never be known. This Utopia can only exist in imagination, unless the parts of this unit are properly adjusted and function in their places sufficiently long to forget the past by force of their acquired habit. Therefore unless and until all the communities of India have attained a uniform standard of education and civilization and unless they have learned to love and respect one another, the much desired and longed for Swaraj and self-Government will be impossible of attainment. I say that most emphatically and deliberately. I feel sure that this particular aspect of the question, namely, the representation in their proper proportion of the important sections of the people of this country is a problem that will have to be tackled by Government sooner or later. If they fail to take note of it when it presents itself in an acute form, which perhaps it does not do at the present moment, I trust I shall not be taken to be an alarmist if I sound a note of warning to Government that, so far as the Muhammadans are concerned, failure to give them an adequate representation in all the services will manifest itself in a discontent second only to the loss of equilibrium which sometimes is evidenced on religious questions. In my humble opinion the terms of the Resolution are such that nobody need have any objection to it. It fairly lays down that the services should be manned by all communities proportionately only if sufficiently qualified men from each can be got. I think Government would be well-advised to accept the Resolution, to which I accord my whole-hearted support.

The Honourable Sir Malcolm Hailey (Home Member): I have almost been tempted to-day to sit in my place, serenely watching what seemed to be something like an internecine warfare develop itself in the House. But I cannot do so. We have here a question in which many Members of the House obviously take an intimate and almost a morbid interest, a closer interest indeed than in many general questions of policy which come before them. I recognize the reason for that feeling and the depth of the sentiment which actuates it; but convenient as it might be to me, I cannot assume the pleasant position of the onlooker described by the poet. "Pleasant," said the great Roman poet, "pleasant it is to sit on the shore and see those who are tossed on the sea in ships." If I

[Sir Malcolm Hailey.]

could watch this question evolve itself on the floor of the House, and if I thought that the House would be likely to come to a decision profitable to Government and profitable to India, I should be glad to do so; but I have a doubt that the result will be so happy. Moreover a Resolution passed by the House in a matter of this kind must, unless there are strong and valid reasons to the contrary, be translated into regulation by Government; and those regulations might have an important effect on our administration. That is my excuse for intervening in a controversy which otherwise might be left to the representatives of communal interests and their opponents in the House. We had last January a debate which covered much of the ground which has been opened to-day; I then took the opportunity of explaining to the House our attitude in the case of the service which was then under discussion, namely, the Indian Civil Service. I can claim that on the whole the explanation I then gave was accepted as sufficient and adequate by the majority of the House. I explained then that we could not and did not seek to represent the claims of each community: nor to protect the interest of minor communities; all we could hope to do was to prevent the preponderance in the Indian Civil Service of the representatives of any one community or any Province; this result we secured by nomination if the examination for the 67 per cent. of Indian vacancies which we opened to competition in India did not give us the desired results. We feel that we have adequate reasons for maintaining that principle. If our administration is overweighted by any one community, then there is an administrative loss. Officers serving in that particular service will feel that their prospects in the service and their claims to recognition are likely to be put aside. But the mischief does not end at discontent in the service; there is discontent among the public, for there is no doubt that if a large community is inadequately represented in our services, it feels itself slighted, it is hurt in its pride, and more it actually feels at a disadvantage which is likely to work to its injury. I can make that statement on purely practical grounds, and I prefer to take those grounds without entering into any of the more controversial aspects of the case which have been discussed here to-day. It is unnecessary for me to discuss whether procedure such as is advocated in the main Resolution before us is really a corollary of the terms of the Queen's Proclamation. It is unnecessary for me to discuss whether the full admission of members of minority communities to our services is an essential factor in building up India as a nation. Those considerations I can for my part put aside. But addressing myself to the terms of the main Resolution, I am bound to discuss the question of its practicability. I have reminded the House that if we are to be called upon in the terms of this Resolution to represent adequately the claims of different communities or to protect minority communities, we must translate those terms into regulations. How are we to do so? The Resolution suggests that, not neglecting the claims of efficiency and the like, we are to give preference to those who belong to classes or communities who are not well represented in the services. But we must have some means of deciding what those classes or communities are, and we must have some standard for deciding if they are adequately represented. Previous references have been made to the extraordinary difficulty which we should find in adequately classifying the communities throughout India and standardizing their requirements. Believe me, I do not want to approach this proposal in any spirit of carping criticism or to raise meticulous points

against it; the sentiments which lie behind it are too strong to allow me to take so unconvincing a course of argument; but I must represent to the House the practical impossibility of carrying out a regulation on anything like these lines. Those who have attempted to study the question in our Census Reports, or who have followed the proceedings of the Franchise Committee, will realize the great difficulty of interpreting requirements of this nature. The main criterions which are taken for determining the existence of a community are of course religion, language or caste and tribe. Now take first religion. For census purposes we classify the Hindus as one community; but the very reason why this Resolution has been brought to-day is because a large number of Hindus in Madras consider that Hindus do not make a community in Madras and that Brahmins should be separated from non-Brahmins. That is, a large section claims representation not because they are Hindus, but because they are not Brahmins. Then again take the difficulty which confronted us when the Franchise Committee visited Bombay. Lingayats are classified as Hindus, but the Lingayats who number, I think, about two and three quarter millions, claimed separate representation from other Hindus; and I remember further that in the Census of 1901 the Lingayats claimed that it was 'offensive and mischievous' to enter the Lingayats themselves under one classification. I will go further and quote the case of a religion which is not subject to the infinite variety of Hinduism--I mean the religion of Islam, a religion almost unique in its religious solidarity. It is by no means sufficient to think that you can satisfy the claims of Muhammadans by merely fixing a proportionate representation for followers of that religion. If you were to ask a Pathan of the Punjab what he was, his first claim would be for representation as a Pathan; it would not satisfy him to be told that you were admitting the claims of Muhammadans generally. There are obviously cases in which the tribal formation would be the basis of demand and the religious basis would not be sufficient. The term tribal is not precise; but my illustration of the Pathan will suffice; and I could enforce it by others. There are some five million Marathas; there are nine and a half million Rajputs; and both of them would reject a discrimination based on religion as insufficient and claim recognition on a tribal or national basis. And the matter is not capable of settlement in advance; the claim may arise at any time that the tribal or national consciousness grows strong and asserts itself. We have seen something like this arising among the Ahirs in Northern India; it might arise among the Gujars (and there are two millions of them) and the Jats of whom there are seven millions. But I will not dwell longer on the difficulty in the way of basing discrimination on the large classification of religion. Let me go to language. That itself is perhaps even less reliable. You have, I think, some 15 main divisions in the Indo-Aryan group, some 14 divisions in the Dravidian group and numerous sub-branches of the Tibeto-Chinese group; but the ordinary man would hardly recognize the division established by the scholar, and attaches more importance to his own dialectical sub-division. In any case, the linguistic divisions are not sufficient either for combination or differentiation; a common language will not unite the Lingayats and Marathas, still less will it unite the Sikhs and Punjab Muhammadans; while on the other hand, just at present at all events, a difference of language does not seem to keep apart the non-Brahmans of Madras. For the moment it seems of political importance mainly in one area, that occupied by the Oriyas; it assumes a momentary importance because those tracts are split up among four provinces and is quoted as a reason for re-uniting them; unite them, and I have no doubt that the linguistic basis will then cease to be of

[Sir Malcolm Hailey.]

importance and other differences will re-assert themselves. I take our last basis of division, somewhat loosely known as caste and tribe. I fully join with those who say that it is unnecessary for us to adopt any meticulous classification on a basis of this kind, the more so when it is realized that there are in India altogether, as shown by the analysis made in 1901, which took reckoning only of groups with an aggregate of over ten thousand persons, some 2,378 main castes and tribes, and 43 races or nationalities. Even so, the classification is uncertain; it is continually under process of change and revision. But I do not desire to place too much stress on this; I know that a large number of these groups could be neglected at once. My point is this. At any particular moment when a group or community begins to feel itself, it is difficult to say whether we should place more emphasis on the caste, designation or on the tribal configuration or on its local distribution. Let me give the House one instance. There are, I think, some fifteen million Brahmans in India. Now the Gour Brahmans, a community of Northern India, have claimed in the Punjab that they stand apart as constituting an agricultural tribe for the purpose of the Agricultural Tribe legislation and when during the War they were recruited in considerable numbers—they did very well in recruitment—they claimed that we should form a separate regiment for the Gour Brahmans of the Punjab and United Provinces. Any particular time we may have to face the fact that the claims of one section of a large caste or community based on local or other special considerations outweigh caste or other communal considerations. I have stated these general difficulties; and I put it to the supporters of the main Resolution that they would make it impossible to frame any regulation on the lines suggested. Now, I ask again, are we to tell whether a "class or community" is not adequately represented? How are we to decide which minority community to recognize? Firstly, the distinctions which we are asked to observe are not standardised. They are not mutually exclusive. It is difficult in numerous cases to determine the factor on which a large group of individuals place the most importance. It would not be sufficient, if the Lingayats were claiming larger representation in our Services, to tell them that Hindu interests are already represented; they would claim that the Lingayats must be represented as such. In Madras the claim for separate recognition by a large section is not on the basis that they are Hindus but on the fact that they are not Brahmans. That is a sufficient distinction for immediate purposes; but can hardly be an enduring one, when its present object is attained. Then, secondly, there is no basis for deciding, even after you have managed to get your classification of communities, the proportion in which each should be represented—in other words, their claim to recognition. Obviously, you cannot take the Census enumeration as all sufficient. You have had sufficient proof of that, I think, this morning, in what was advanced on behalf of the Sikh community. The House will remember the facts; the Sikh community had no part in the Lucknow compact, and when we came to arrange the franchise for the Punjab, they represented that any attempt to give the Muhammadans and Hindus the percentage laid down for them in that compact would injure their position; in fact their demand has always been that they should receive a representation exceeding that which their actual numbers would give. I am not going into the merits of that claim; I am only pointing out one of the difficulties of attempting to find an accepted or equitable basis of representation in the Central Services. I must take all India figures; and I am making no

kind of comparison except numerical; but with any one give me a common denominator which will allow me to establish the fractional proportions of representation for the Gujars (two millions), Sikhs (two and a half millions), Mahars (three millions), Marathas (five millions), Rajputs (nine and a half millions), Parsis (one hundred thousand) and Pathans (three and a half millions)? I purposely include classes widely differing in their claims. A third difficulty is that you could not say at what particular point a community, using the word in its larger sense, became so important as to require representation in the services. Everybody realizes that we must pay no regard to sub-castes or such minor divisions. But at what point are we to say a community has shaped itself and assumed a distinct individuality; that it has made itself felt; and that we must begin to represent in the services?

Well, these are the general difficulties. But I would point out that we, the Central Government, have an additional difficulty. It is not impossible perhaps that a province desiring to put into application the principle of this Resolution might do so in regard to its own services, because it works within a confined area; it can assess values with some accuracy; and taking the total population of its area and dividing it up as best it may between various classes and communities, it might possibly arrange, taking its services as a whole, to give something like proportionate representation to the various sections. But that proposition becomes very different for us. Our Central Services are at work all over India. Let me take a case in point—the Customs Service. I have said that there are five million Marathas in India. How are we to secure adequate representation of the Marathas in a service which works only at the ports of India, where practically no Marathas live, or few? Again, how are we to secure adequate representation for Sikhs, a localized community, in our Accounts Service which is at work all over India? It will be seen at once that, when you apply the problem to the Central Government, the difficulties are enormously increased; for you have to take into account factors enormously wider than those which apply in the case of the local Governments. Not only so, but there is another factor. Even if you secured an All-India classification of values, obtained by weighing the claims of different classes or communities, you would have to overhaul it all again on a new requirement—the demand that within each class or community the provinces should be adequately represented. For the local Government, a Muhammadan is perhaps only a Muhammadan; for us, he must be a Muhammadan of Bombay or Bengal or the Punjab.

Now, Sir, I have stated the difficulties which I should feel myself in accepting the Resolution as put forward in its present form. I am under apologies to the House for detaining it on the subject; but it is a question of as great importance to us on our side, though for different reasons, as it is to the Members of the House who have raised this issue. I have given my reason why I should oppose the main Resolution in its present form. They are practical reasons; and purely on practical grounds, I must decline to be a party to any agreement on the part of Government unless we can honestly give effect to it. I have explained to the House on a previous occasion what we have done in regard to the Indian Civil Service. It may interest the House to have in the briefest form a few details as to what we have done in regard to our other All-India Services, which did not then come under discussion. In the Police, we take of course 66 per cent. of our recruits through the open competitive examination in England and of the remaining 33 per cent. which we take

[Sir Malcolm Hailey.]

in this country, we take 11 per cent. by promotion of subordinates and 22 per cent. by competition among nominees. Both these two avenues, the promotion of subordinates and competition among nominees, give the local Governments a certain opportunity, which they have used in some cases to see that their Police service is not over-weighted with any one class of recruit. That is as far, however, as they are able to go. In the Imperial service of Engineers, local Governments select Indian recruits for themselves, but mainly by open competition, and there again, where we have to recruit for a technical service, it is difficult to arrange for anything like adequate representation. I come now to an interesting case, that of our Indian Audit and Accounts Service, which as the House knows, has for many years looked to competition for a greater part of its recruiting. It has a long and distinguished record, and it has maintained that record by open competition in India. There has for the most part been no restriction on the competition. There were for a few years restrictions in this sense, that it was a competition among nominees and that we attempted in accepting nominations to see that one class in particular did not appear in too great numbers at our examination. I mean the Madras Brahmans. But lately, the restriction has been felt to be unnecessary and it has now been removed. The results will interest the House. We have 28 Madras Brahmans and 3 Madras Non-Brahmans, 2 Syrian Christians, 21 Bengali Hindus, 8 United Provinces Hindus, 6 Punjab and Delhi Hindus, 3 Punjab Muhammadans, 3 Bombay Hindus and 1 Sikh. For my part, I should be loath to see the fine record of that service, which has been obtained by open competition, altered to any system of close nomination to secure representation of different communities or minor classes. I admit that when promoting subordinates we can do something to redress the results achieved by open competition, but here again I confess that I should prefer to see merit and good work the predominant consideration. I will not trouble the House with the case of other services; they are largely recruited on a technical basis; though I might mention the great difficulty felt in the last two years in securing anything like adequate representation of provinces among the Indian recruits to our Imperial Forest Service. With the best of us will in the world the thing proved to be impossible. But the House will desire to know what we do in the case of the subordinate services under the Central Government which are not recruited by competition and do not involve technical qualifications. In the case of our Secretariat, as the result of the Llewellyn Smith Committee we have laid down that the Staff Selection Board should see that as far as possible there is something like an adequate representation of the different provinces and that one community does not unduly outweigh the rest. The difficulties are obvious, for in the case of lower paid posts, the representation must largely depend on the locality in which the Central Government offices are situated. I find that in regard to our post offices, circulars have from time to time issued—I have here one before me—requiring that recruitment should be deliberately arranged to prevent overweighting by any one community. I have not the record of other services such as the Railway before me. But I noticed to-day a curious fact; there was a notable absence of any definite proof in the way of figures or even allegation based on instances, that we have allowed the claims of any community to outweigh the others in our Central Services. There has been much argument on general grounds; many *a priori* reasons have been given why we should adjust recruitment to the requirements of different communities; very little has been said to prove

that our regulations are really defective in denying those communities their opportunity. Am I not perhaps right in thinking that the Honourable Members who have put forward their case to-day were thinking of their own provinces and not of us? If they were referring to Madras, the House, of course, knows the steps which have been taken in Madras to attempt, whether rightly or wrongly, to redress the predominance of one class. That is a provincial question into the merits of which I do not enter; but I have here a circular order of the Madras Government which shows that they are attempting not only so to arrange their recruitment but even, if I am correct, so to arrange their promotions as to secure that end. I am bound to state that when I read that circular I was somewhat puzzled as to the exact methods adopted; the task is obviously not an easy one. I noticed also the fact that even they themselves could not issue orders in the full sense of the terms of the Resolution which we have before us, because at the best they are only able to distinguish between Brahmins and non-Brahmins; they are not able to break up the non-Brahmins into the different communities of which they are permanently composed. But that is by the way. As I have told the House, our own objective in the Central Government has simply been to prevent any one community or the representatives of any one province preponderating over others. As I said on a previous occasion, we ourselves would rejoice if we could avoid altogether any consideration in recruitment other than the test of character, intelligence and efficiency. We certainly do not wish to be led, as the Mover of the main Resolution would lead us, into any system under which we should be under the imputation of favouring one community at the expense of others or neglecting any community for motives which would lay us open to criticism. At the best, or the worst, our present procedure involves a species of negative requirement which is very different indeed from the positive operation which the Honourable Member who put forward the Resolution would impose on us. If you have an objective such as the one which I have just described as that of the Central Government, it is obvious that you can use the word 'community' or the term 'class' in a sufficiently elastic and liberal sense. Turn the operation over, and demand that Government shall pick recruits from different communities or different sections of a community, or engage on an accurate representation of provinces, and it immediately becomes necessary to face all those difficulties of detail which I have placed before the House. Our method of approaching the question, as I say, does not involve us in the attempt to assess values as between different classes or communities, nor does it give rise to those invidious comparisons or antagonistic claims which would be the inevitable result of the procedure advocated in the Resolution. I would ask the House to affirm our policy, and not to seek to go any further; I have deliberately avoided a discussion of principle, and dealt only with the practical issues in the proposition put forward. I chose that ground purposely and in the interests of the House; for the discussion of the principle and the object which lay behind it had already led the House into differences of opinion which do no good outside. It was betrayed into an exhibition of the existence of separatist tendencies which only supply arguments to those who claim that Indians can never combine. I would therefore ask the House to put aside the main proposition, based on the claims of separate classes and minority communities, and to affirm the wide, the simple and the reasonable policy which I have enunciated. It is recognized in the amendment which Sir Deva Prasad Sarvadhikary read out to the House. That amendment has my whole-hearted support; the House can adopt it with safety; and I would urge that it accept it in the cause—I can only put it in this way

[Sir Malcolm Hailey.]

—of its own dignity and its position as a representative of all-India interests. We shall do well to avoid placing before the world at large differences which are not edifying in themselves and the airing of which here can lead to no good result.

Mr. President: The amendment moved by Sir Deva Prasad Sarvadhikary has not been put from the Chair. I put it now :

“Substitute for the original Resolution the following :

‘This Assembly recommends to the Governor General in Council that, in making new recruitment for the services under the control of the Central Government, steps be taken to secure that the services are not unduly over-weighted by the representatives of any one community or province.’”

That amendment is not, strictly speaking, an amendment to the amendment already before the House, but I will allow the discussion to proceed upon all three propositions. When I come to put the question, I shall have to put it in a form to which I shall invite the close attention of the Assembly.

Munshi Iswar Saran (Cities of the United Provinces : Non-Muhammadan Urban): Sir, before I make any remarks on the subject under discussion, I wish to say that I was sorry to hear that a little innocent question of mine yesterday has caused pain to some of my Honourable friends. I can only say this that I did not mean to cause any offence at all. If I explain the reason why I put it, I am afraid there may be some to whom the explanation may not be quite acceptable; I therefore leave it at that. Sir, after the exhaustive speech of the Honourable the Home Member . . .

The Honourable Sir Malcolm Hailey: Sorry, sorry.

[An Honourable Member (to Munshi Iswar Saran): “You meant ‘exhaustive’ and not ‘exhausting’?”]

Munshi Iswar Saran: And I said ‘exhaustive’—it is not necessary to make a long speech. What I wish to say is that Sir Malcolm was perfectly right when he said that this internecine warfare was not dignified. No one believes, and at any rate I am not one of those who believe that India can make real progress if any one of its communities or if any one of its provinces is subjected to any hardship or to any disadvantage. Sir, I always avoid making any personal reference, but on this occasion I shall, if I may, make a reference to my own self; those who have known me in my own province know very well that when this controversy between Hindus and Muhammadans was very acute, when the whole province, as it were, was divided sharply into two camps, I kept aloof. Sir, I deplore this debate and I do not wish to make any secret of my feeling. Why I deplore it is because, as the Honourable the Home Member has said, it is taken advantage of by those of our opponents who wish to prove to the world that India in spite of its tall talk is yet divided between these warring communities, castes and tribes. The position of everyone of us, and I think of every nationalist, is that each and every community must have its share in the services of the Government, provided that efficiency is not impaired by the introduction of this principle; and no Hindu would like any Muhammadan to suffer, and I hope no Brahmin would like any non-Brahmin to suffer. But the non-Brahmins, I am told,—I speak subject to correction—have successfully turned the tables in Madras and I hope the non-Brahmins will not allow the Brahmins to suffer now. (A Voice: “No, no.”) If that is not so, I am very glad. (A Voice: “It will take ten years.”) It will take ten years according to my friend to

make the Brahmins suffer for their past sins. Sir, I only hope that any remarks which are made by subsequent speakers will not be of a kind which will generate more bitterness or more unpleasantness. As I have made no secret of my own conviction I say that I do deplore these communal questions. I do not approve of either communal representation in the Legislature or communal representation in the services but I do recognise that unfortunately there is this feeling in the country and it has got to be taken note of. A policy may be just, but it is necessary that all those who are affected by it should have the conviction that it is just. It is the business, I submit, of the majorities in this country to so act that the minorities may have no cause to entertain a grievance real or, may I say, even fancied, because if they entertain that feeling, it only retards our progress towards the goal which, I hope, Hindus and Muhammadans, Brahmins and non-Brahmins, all have at heart. (Mr. K. Ahmed: "Example is better than precept.") Example is better than precept. It is perfectly true. I hope my friend will set the example and in future will not by needlessly raising these questions hurt the cause which, I trust, even he has at heart. Sir, I support the amendment of my Honourable friend, Sir Deva Prasad Sarvadhikary, and I do hope my Honourable friend, Mr. Nayar, will withdraw his Resolution in favour of the amendment which has been moved, because, as the Honourable the Home Member has shown, apart from other higher considerations, it is difficult to give effect to the Resolution in the form in which it has been moved. I therefore hope that the amendment of Sir Deva Prasad Sarvadhikary will be accepted. Let us show our dignity and statesmanship by unanimously accepting this proposition and thereby removing all difference of opinion on this question in this House.

Colonel Sir Henry Stanyon (United Provinces: European): Sir, in all humility, in a very few words, I venture to offer this House a little advice as a House. Shortly put, my recommendation is a combination and a suppression of all elements of apparent disintegration. A proposal and two amendments have been put forward. All parties are agreed on two main principles, namely, (1) efficiency as the paramount test, and, subject thereto, (2) a fair treatment to all communities, in the making of appointments under the Government. The proposer of the Resolution and the proposer of at least the second amendment have expressly embodied these principles in the forms advanced by them, while the proposer of the first amendment does not exclude the principle of fair treatment to all communities. But, Sir, whichever of these three proposals is pressed to a division will reveal some in favour and some against. If there was unanimity with regard to any one of them, I would say by all means go ahead and let us have a unanimous decision; but as a unanimous decision does not seem possible on any one of the three, the result of decision will be differences of opinion on mere forms, and this shadow of a split on this side of the House, which has no reality in substance, will go forth and display to a watching world the mirage of a House divided against itself. With the budget deficit before us, what we want is combination into a solid phalanx to contend against the common enemy of State insolvency. I advise, after an opportunity has been given, sufficient in the judgment of the House, for an expression of views from all points with regard to each one of these formulæ, that the proposer of the original Resolution and the proposers of the amendments do not drive the House into a division, but, by timely withdrawal, after the subject has been ventilated, as we have had a most important and clear and by no means

[Colonel Sir Henry Stanyon.]

exhausting explanation from the Honourable the Home Member, leave the question unasked. We should be content with that, and should settle our differences by leaving the matter undecided.

Dr. Nand Lal (West Punjab: Non-Muhammadan): Sir, I approach this subject without any bias. I am not in favour of one community or another, but I shall express my views as an Indian. Sir, it is regrettable that on the floor of the Central Legislature a Resolution of this type has been moved. At the same time it looks very inconsistent that only a few hours back we were in favour of the removal of a certain distinction which was visible in reserving certain compartments of the railway carriages, and in the same breath we are showing ourselves in favour of communal representation. It is simply regrettable; this inconsistency has got no explanation at all. It makes me believe that perhaps some Members, who are advocates of this Resolution, think that holding an appointment in Government service is of less importance than taking a seat in a railway compartment. I think the whole world will laugh at us, that, being Members of this Central Legislature, representing the whole of India, we are thinking of Muhammadanism, Hinduism, Brahminism, non-Brahminism and not of India as a whole, it is, I may say, simply deplorable.

Sir, those, who are in favour of the purity of administration and of the real political advancement of India, will agree with me that this Resolution is suicidal to our Indian interests and unity.

(An Honourable Member: "Not a bit.")

Dr. Nand Lal: On some occasions I happened to hear from some ill-advised critics that it is due to the policy of Divide and Rule that Government appointments are conferred.

I always held, rightly or wrongly, the view that this was wrong criticism. Now I am confirmed in my opinion that Government is not responsible for this at all, that our own people,—at least some of them,—have forced the hands of Government, and that they have been levelling this wrong criticism against Government without having sufficient knowledge of the true circumstances. Now the 'cat is out of the bag.' Now we know that it is we, at least some of us, who have been troubling the Government and making the administration of the Government a little more difficult than it need be. We are the authors and we ought to be ashamed that being thus the authors, being thus, the cause of the troubles of Government, we have been criticising them for nothing. Sir, the Resolution says that preference should be given to the equally efficient members of certain communities. That is the gist of the whole thing. The Mover has introduced the word "preference" which makes the whole motion simply unacceptable. If the drift of the Resolution were that Government appointments may be conferred in consequence of the result of competitive examinations, I would have endorsed it; Sir, when we employ servants to serve us whether in our mills or in our private offices, we always prefer efficiency to any question of caste or creed. Supposing a merchant, or say, a millowner, were to decide as to whom he should employ, Sir, will he act upon the principle of communal interest? If he did so, his mill would be stopped in no time. Will a Muhammadan merchant think of discrimination and prefer communal interest to efficiency? Will a Sikh millowner say that all appointments in his mill should be given to Sikhs only irrespective of merits? No, not at all. When there is a private

affair, they will prefer ability and respect efficiency, but when the question of Government appointments comes in, they say "Oh, don't think of efficiency." They say 'Think of preference.' I say there is no justification for it. We should be fair both to the Government and our Indian interest. We should always advocate a non-sectarian cause and general interest of Indian nationalism.

Then, Sir, will communal preference do any good at all to the so-called minorities? Will it do any good to them at all? I say that those, who stand on the legs of others, will never be able to walk without the help of others. That is the fundamental principle. I say the Education Department is open to you. Is it closed to you? Ask your members to join the educational institutions and pass examinations. Let them make themselves efficient. There is the medical line open to every one, and there are also other lines. Let them try and qualify themselves. Let them come forward as men. Don't beg for posts for them on the score of communalism. Let them depend upon their merits and abilities. In the name of nation building, I appeal to the Honourable Members, that we should not raise our voice in favour of sectarianism and we must not ask for preference in these matters. Try to make yourself fit and able to deserve and secure the appointments. If you are capable, Government themselves will invite you. Why are you begging for these posts on the ground of communal representation

Now what do the advocates of communal representation mean? They say that they are not well represented. In what way? Do they mean to say that their numerical strength is greater and consequently they deserve to secure larger number of appointments? If so, I should venture to say that it won't do. The best thing for them will be to make themselves efficient. If they mean thereby that the number of their highly educated men is smaller as compared with that of other communities, then it amounts to this, that they want that superiority of character and academic achievements, which ought to be the proper criterion for securing Government appointments, should not be respected. I submit it is not just. Now, Sir, I have endeavoured to show that these minorities, who are seeking for help will not eventually be benefited. They will remain as poor as they are now. Unless and until they try to raise themselves morally and intellectually, they cannot, in all fairness, ask for any sort of preference. May I ask the advocates of certain communities that they instead of spending their time in asking for favours (A Voice: "It is not a favour, but it is a right.") in the matter of Government appointments, on the ground of communal representation, may advise their constituents to secure those appointments on the ground of efficiency. They ought to impart this lesson to them, that they should elevate themselves morally and intellectually, so that they may try to inspire confidence in the minds of the public, so that this baneful question of communal representation may be removed once and for all. This ought to be done, but I am sorry to say, it is not done. Instead of resorting to proper remedies, they are trying to conceal their defects. Just like a miserable patient, suffering from a malady, instead of trying to see that proper medicine is administered, he likes to become a glutton and takes too much sweets. Don't take sweets. Think of your malady. Your malady is that you are fighting with each other, there is no unity amongst you. Try to cultivate that unity which is so absolutely essential; do away with all these distinctions. Government appointments should not be given on these wrong principles. Government service should be the purest thing, and purity ought to be

[Dr. Nand Lal.]

maintained, and that could be maintained only if there is no communal representation. Only merit, ability, efficiency, good character, honesty and sincerity should be the criteria. Not because I am a Sikh, not because I am a Muhammadan, not because I am a Brahmin or non-Brahmin that I should ask for appointments. We must feel ashamed of making these claims on communal representation, and the people of other countries will simply laugh at us. On the one hand, we say that we should be given Swaraj, that we are fit for it and that we have unity; while on the other hand, we are fighting with each other for loaves and fishes. Is there any consistency in it? Do you think our conduct is compatible and consistent with that which we happily evinced in a number of other Resolutions? If Brahmins are capable and efficient men, let them get the posts. Create public opinion and if you find that a Brahmin does not behave well or does not do his duty impartially and in the right manner, let that public opinion against him reach Government and they will, if that complaint were found to be correct, take action. Similar arguments could be adopted in the case of Hindus *versus* Muhammadans and *vice versa*. The Honourable Mr. Abul Kasem has put forward a wonderful advocacy before us. He says the Lucknow compact may be respected if you want to build your nation. If you want to complete your work then try to act up to the behests given by that compact. May I ask my Honourable friend is he really obeying all of the dictates of the Congress? I believe he has made it convenient for himself, on this occasion, to place reliance on that compact.

Maulvi Abul Kasem: I did not say the Congress: I said the Lucknow Pact.

Dr. Nand Lal: If I mistake not, I think that compact was made or adopted by the Congress at Lucknow.

Maulvi Abul Kasem: Which is dead and gone.

Dr. Nand Lal: Well, dead or not, I don't know. But you have taken it as an argument at this juncture. Since my learned friend does not as it appears, seem to adhere to the other principles, the other tenets and conditions laid down by the Congress, he has then no justification for putting forward this plea.

Maulvi Abul Kasem: Sir, I have to offer a personal explanation. The Pact was not made by the Indian National Congress; as my friend was not a part to it, he does not know. It was a Pact between the Indian National Congress and the All-India Muslim League.

Khan Bahadur Sarfaraz Hussain Khan (Tirhut Division: Muhammadan): Maulvi Abul Kasem is perfectly correct. Dr. Nand Lal does not know.

Dr. Nand Lal: Another Honourable Member says "our community has been serving in the Military Department." Well, it shows the justice you receive at the hands of the Government: the members of your community were considered the fittest persons to serve in the Military Department. Therefore they have got the monopoly of posts there. What grievance have you got? Have you not been drawing salaries and then pensions? Were you not compensated for that service? On that ground, you are going to ask the Government that all responsible appointments should be conferred on your community simply because many of you were in the Military Department? Will the Rajputs not come forward with

that claim? Will Kshatriyas not come forward with that claim? And will not other members of the Hindu community come forward with the same claim? Your claim should be such as may have some sense of justification. We should not make the task of our Government more difficult. We should be just. Then my learned friend says, we were ignored. I say, where were you ignored? You were one of the Hindu communities. Subsequently, you raised your voice that we should be given separate representation. You were given it. Now, you are going to make an encroachment on the right of the whole Hindu community, saying that we should be given Government appointment specially. That is not fair. I quite agree with the expression of opinion made by the Honourable the Home Member, that there are a very large number of divisions and sub-divisions of caste and creed in this India. If the question of giving appointments is to be decided with reference to the numbers in a certain community, then the other sub-divisions thereof will come forward. Take the case of the Muhammadans. One sub-section of Muhammadans may come forward and say, well, Muhammadans have been given this special privilege, but our interests are being jeopardised, because, we belong to a different sect of Muhammadans. What answer will be given to that? What answer will be given by the advocates of this theory which is put forward and which is altogether inconsistent? Similarly, one sub-division of the Hindus will come forward and lay claim to Government appointments. What answer will be given to them? So, therefore, this motion is altogether impracticable.

Mr. President: I must ask the Honourable Member to draw his remarks to a close now.

Dr. Nand Lal: Thank you, Sir, I shall. I oppose this motion which is suicidal to Indian interests and with these words I resume my seat.

Mr. Braja Sundar Das (Orissa Division: Non-Muhammadan): Sir, 4 P.M. I have heard with rapt attention the discussion on this communal question. It has been said from the Government Benches as well as from the opposite Benches that this is a Resolution that tends to disintegrate India and to put it before the eyes of the world that India is not united and can never be united. On the other hand, I would rather say that this Resolution is a unifying one. It is the outcome of the disintegrating policy followed by the Government of India. (*An Honourable Member:* "No.") You say, "No", I say "Yes". Some figures that were supplied to a question put by perhaps Lala Girdharilal Agarwala will show that disintegration is not in the Indian people but in the Government of India itself. It is thus. Of the 1,961 posts in the Government of India 105 are Europeans, 147 Anglo-Indians, and 647 Indians, and of these, Madras claims 35. Bombay 14, Bengal 259, the United Provinces 51, Punjab (to which my Honourable friend, Dr. Nand Lal, belongs) 260, Burma nil, Bihar and Orissa 7, the Central Provinces nil, Assam 1, North-West Frontier Province 4, Coorg nil, Delhi 24, Native States 11. These figures speak for themselves. (*An Honourable Member:* "What appointments are they?") This is a statement showing the number of Europeans, Anglo-Indians and Indians employed in the Government of India Secretariat on the 1st June 1921 on salaries of not less than Rs. 25 per mensem and in the case of Indians the provinces to which they belong. That is the statement, which I put before the Assembly and which clearly proves that the existing things in the Government of India, as they are, tend to disintegrate and disunite the Indians. The Honourable the Home

[Mr. Braja Sundar Das.]

Member has said, it should not be looked upon from the point of view of different languages, castes and creeds and so forth, but I ask the Government as well as the people, that when they think of India, they should think of it as a geographical unit, as one geographical whole. Taking the standard of geography, we find that a certain portion of India has far greater advantages over certain other geographical portions of India. That is the question that counts. It is not the question of communal representation that really counts in this Resolution. It is practically the question of geographical deficiency in matters of appointment that matters. Again I say that when we think of India we should not shut out a certain portion of it from the Indian geography. This will serve as an apt illustration. Sir, I once put a question as following:

"Will the Government be pleased to state if there are any Oriyas in any Department of the Government of India?"

"Will Government be pleased to state if ever any notices regarding recruitment of services into the Government of India Departments were published in any leading papers of Orissa?"

To this the reply was:

"The Honourable Member is referred to page 187 of the Legislative Assembly Debates, Volume II, No. 3, from which he will observe that on the 1st June, 1921, seven appointments on salaries of not less than Rs. 25 per mensem were held by persons belonging to the Province of Bihar and Orissa."

I asked for the Oriyas and the reply was for the province of Bihar and Orissa:

"The communiqués of 1920 and 1922 announcing that the Staff Selection Board intended holding examinations for outside candidates were published in the 'Searchlight' which is issued from Patna."

Well, these replies speak for themselves. I need not go into their merits. From the above illustration it would be clear what the disintegrating force is working there. The Resolution is one that tends to do away with this pernicious principle and to unite India at least in matters of the services under the Government of India. It is again, let me repeat not a disuniting one. It only seeks to unite India in the services of the Government of India. Why should one part of India get preference over the other portions of India? That is the question. My Honourable friend Mr. Jayanti Ramayya Pantulu said that no honest attempt on the part of any community or any class to enter into the service of the Government of India has been shut out. Well, I can say from what I know that for the last 20 years the Oriyas have been trying to enter the higher grades of Postal Service and till now they have not been able to secure even one appointment. So in all other Departments. I can challenge the Honourable the Home Member to say if there is one man from the geographical portion of India—called Orissa—either Hindu, Muhammadan, Brahmin or non-Brahmin, Anglo-Indian, Indian Christian or any man of any creed or community or class or whatever it be? I speak of that geographical portion which is now called Orissa—and not from the Oriya-speaking tracts as a whole for they are scattered under four different Governments, such as under the Madras Government, the Bihar and Orissa Government, Bengal and under the Central Provinces Government—I again ask if from the country which they call Orissa is there one man of any caste, creed or community in the Government of India? One man? This is what creates disunification. In order that India may be united geographically, it is necessary that it must work as one body, and if one

part of the body draws all the blood to itself and gets unusually swollen it is plethoric. So the whole body is not a sound body but it would be something like a body with elephantiasis. Those that care for the growth of Indian nationality should see that one part of India does not grow at the cost of the other parts of India. Unification of India does not mean that all languages should go, all castes should go, all creeds should go. I do not think that those who want the growth of nationality of India would like to do away with all these differences. There they are and must continue to be. We must seek unity amidst this diversity. If the outside world say that India is disunited, I ask, is that world united in itself? Are they united in England? There are different political parties struggling for power and ascendancy; there are the conservatives, the liberals, the labour and so forth and in that respect they are not united there. They may be united as regards their creeds, but they may be disunited in other matters. So are we here in India. We are united in certain matters, we are disunited in other matters. It does not matter. I assert that I am proud to belong to the Indian nationality, and I think, in spite of the differences of language, creed and community, India will grow and is bound to grow as one nationality. What forces are there that can prevent the growth of one Indian nationality? I say there is no power on earth that can check that progress; and at the same time let me reassert that our progress very much depends upon the healthy growth of each part of Indian nationality. And therefore, without making any further comments on the Resolution, I commend it to the Government to consider India as a geographical whole and think of distributing the services with reference to the geographical position of all parts of India and not to any differences in caste, creed, or communities; and if that is accepted, then the whole proposition put forward by my friend, the mover of the amendment, is accepted. With these words, I support the Resolution.

Rai Debi Charan Barua Bahadur (Assam Valley: Non-Muhammadan): Sir, I beg to rise to move an amendment to Sir Deva Prasad Sarvadhi-kary's amendment. My amendment is of a verbal nature. He concludes the Resolution with the words 'any one community or province,' and my amendment seeks to change it to 'any one community or communities or province or provinces'—because if that is not amended, Sir, then two provinces may combine together to the exclusion of another province. Punjab and Bengal may combine to exclude Madras and Bombay. So, Sir, the logical sequence of these words, if left as they are, will be that. If two provinces will combine, if two provinces taken together, are allowed to get into the services, then they may exclude the other provinces; so, Sir, I beg to point out that these words should be changed into what I have suggested, and I hope the House will kindly consider the sequence of those words. Then, Sir, I do not want to dilate at length upon what Mr. Braja Sundar Das has said: I will simply content myself by saying that this is a very plain Resolution; it does not want to appropriate the services for one particular community. The Sikh does not want to get all for himself, nor does the Parsi, nor does the Muhammadan, nor does the Hindu. As my learned friend, Mr. Braja Sundar Das said, it is wanted by everybody to distribute the loaves and fishes of office to everyone of the provinces, so that all parts of the country may unite,—that is the only weapon of unification; and if the services are to be reserved by one particular community or disproportionately by one particular community or particular communities or by two or three provinces, it is not fair.

• [Rai Debi Charan Barua Bahadur.]

Now there are nine major provinces, and besides there are similar other minor provinces. The minor provinces also should not be overlooked, neither the major provinces. Now, Sir, that statement given by my friend showed that Assam contained only one member, one man, in the service. And since then, I beg to submit, Sir, even that one has vanished. It is *nil* now. Take the case of Orissa or Assam. Is it to be supposed that there is not a single person in the sub-province of Orissa or in the province of Assam who can fill even a clerk's post on Rs. 25 or a little more than that in the Indian Secretariat? Then, what is it due to? It is due to the combine of some of those who are in the departments to exclude others from the service. It is the inevitable conclusion. We may be wrong in the conclusion, but it is quite inevitable. So, Sir, I beg to submit that something ought to be done so that all the parts of India may be represented in the services of the Government of India. With these remarks, Sir, I beg to support the amendment as proposed by Sir Deva Prasad Sarvadhikary, subject to the amendment proposed by me.

Mr. President: The amendment proposed by the Honourable Member does not differ enough in substance to justify my putting it. The words he adds make no difference in essential purpose of the amendment moved by Sir Deva Prasad Sarvadhikary.

Mr. N. M. Joshi (Nominated: Labour Interests): The question may now be put.

(Several Honourable Members: "The question may now be put.")

Mr. President: Colonel Gidney.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Sir, . . .

Ohaudhri Shahab-ud-Din (East Central Punjab: Muhammadan): Sir, many of us have yet to say something. This is a very important question.

(An Honourable Member: "The question is an important one and we all want to speak on it.")

Mr. President: Order, order. I call on Colonel Gidney to speak.

Lieut.-Colonel H. A. J. Gidney: Sir, the part I shall take in the debate at this late stage will consist of a very few remarks. This very Resolution stood against my name on the 24th of last month, but for some unknown reason it was omitted and for it substituted my Resolution on the I. C. S. examination and communal participation in it. The remarks that have been made on this discussion up to now show that there is strength and reason on both sides, both on the Government side and on the side of those who are claiming communal representation. I shall not emulate my friend, Mr. Jamnadas and spectacularly speak of that *Nirvana* of which he so frequently talks, and which he interprets as Swaraj. That Swaraj is a very dim and distant vision indeed. It is in the transitional stage from now till when that Swaraj is reached that the minor communities are bound to suffer. It is during that transitional stage that I, as a leader of one of the minor communities, even though my friend Mr. Rangachariar calls it a pampered and favoured community, desire to make my voice

heard and my claim of equal rights recognised with those major communities who are to-day endeavouring to swamp us in the various services in India. Now, Sir, we have before us for acceptance the Resolution as proposed by Mr. Nayar and we have two amendments, the last one by my friend on my left Sir Deva Prasad Sarvadhikary. The amendment moved by him seems to be acceptable to us, the leaders of the minor communities in this House with this one objection. We take serious objection to some of the words in it, and an effort was made by me to get him to alter that amendment so as to suit all parties. Unfortunately my efforts failed. The alteration we asked to be made was the omission of the word "one" from his amendment. We feel that the amendment as it stands is so worded as to be of negative value. What we want is to convert this value of negation to one of positive value so far as the practical participation of all communities in all services is concerned. This was objected to by the Party, the leader of which is on my left (*Sir Deva Prasad Sarvadhikary*: "The leader is ill.") As the amendment stands now, we the minor communities in this House can not accept it, because it places us nowhere and leads us to nothing. We feel—indeed we feel acutely—that in the rush in India as it is changing before our very eyes to-day that we occupy a position of insecurity, that the time is not far distant, when this monopoly which is complained of the Civil Service and other services will be substituted by one or two of the more advanced and educated communities in India.

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadan Urban): Which?

Lieut.-Colonel H. A. J. Gidney: The two communities to which I wish to particularly refer (all credit to them) are the Madras Brahmins and the Bengalees. I say it is to their intellectual credit, but at the same time if we in India to-day are objecting to a bureaucratic Government controlled by one community—or mainly by one community, the Englishmen—we are simply lending ourselves, if we do not object to this amendment which has been put forward, to a change of bureaucratic Government from one community, which I hope will not go from this country, that is the Englishmen, to two communities in India, and as the leader of one of the minority communities I strongly object to it. The Honourable the Home Member has shown us real difficulties in the practical application of the Resolution we are discussing to-day. I agree with him that there are serious and insuperable difficulties, but at the same time we ask him to find some *via media* out of this *impasse* and so help us, both major and minority communities alike in our task, the almost impossible task of forming a homogeneous nation out of the heterogeneous masses of castes and creeds which to-day go to constitute India. All minority communities ask to be allowed a fair share in the development of India and its administration. The minorities are determined not to force their rights and we are determined to sink or swim on the vote on this Resolution. As a leader of one of the minority communities myself I cannot give my support to the amendment as moved by my Honourable friend, Sir Deva Prasad Sarvadhikary. I therefore whole-heartedly support the Resolution of my friend, Mr. Nayar.

Khan Bahadur Abdur Rahim Khan (North-West Frontier Province: Nominated Non-Official): Sir, I have been listening to the different Honourable Members and to my learned friend, Dr. Nand Lal, in particular. I

[Khan Bahadur Abdur Rahim Khan.]

appreciate their views as idealist but not realistic ones. Unfortunately he has been arguing on quite a different line. Our grievances are not this, that there should not be an united India. Our contention is not that we should not feel as one India. The question is that we have to face the real difficulty, we have to deal with the problems which are daily facing us. It is all right to say that we should all aspire to this and that, but when we come to the real facts, and when we come to daily dealings with one another, we are also obliged to feel as men, and we have to study human nature, so we have to look at it from the human point of view. It is all right to utter sentimental words; it is all right to have an ideal, but our object is to give that ideal a practical shape. But what I will say to my learned friend, Dr. Nand Lal, when he says that there should be competition, is that India does not require competition; India requires men of character; India requires men who can defend her; India requires men of whom she can be proud. Book worms are not wanted, they can do India no good. Books are for us and not we for the books. My point is this, that I quite welcome anybody whose mind is developed and character is perfect but will not attach any importance to a person with a developed mind but no character whatsoever. That is the point to be always borne in mind so far as India is concerned.

Dr. Nand Lal: I said merit and character also; my friend was perhaps not attentive.

Khan Bahadur Abdur Rahim Khan: I am sorry that my learned friend is so fond of me that he always tries to interrupt when I am speaking. I am very much obliged to him. I am not saying that we should not have this standard of competition, but the thing is that we have to look at India. India is not unfortunately a country with one religion, one race and one language. India is just like a continent, and I say, Sir, it is just like expecting the Prime Minister of England to be Prime Minister of Europe. I do not want to make insinuations against any one and I feel very sad to have to say these things, in our short experience of one year, how many leaders have we seen coming to the throne and how many have we seen leaving the throne? And that is only within a single year, all this is due to lack of tactfulness on their part. So I say this, Sir, that in the case of India it is the business of our leaders to see how they can best steer the ship of the nation in this stormy weather, and in this stormy sea.

My learned friend (Dr. Nand Lal), in speaking of us Muhammadans, said that we have been serving in the Army and enjoy pensions. My learned friend grudges us those pensions. But he ignores the blood that we have shed. He ignores the fact that we have sacrificed many lives. There are gentlemen here who, for simply uttering words, get more than pensions; they make fortunes—in fact, I would say they mint money; while here is a man who risked his life and only gets a pension of something like ten or fifteen rupees, which is grudged by my learned friend, it is just like adding an insult to an injury. My learned friend, who considers himself as a real leader, grudges him that trifling sum. So I say this is not in the interest of India; and I can say this much that unless the advanced communities will look to and respect the interests of the minor communities, they will never advance. You cannot expect co-operation from the minor communities unless you make some sacrifices on their behalf;

only that would appeal to their hearts. In other words, if you are willing to part with something, you will be respected in return. If, on the other hand, you say I am entitled by competition to this and that and expect people to respect you, you will before long find yourself living in a fool's paradise; those days, I am afraid, now are gone. Everybody now is wide-awake. Everybody can look to his own interests, and unless you draw the people to you, you cannot expect the people to follow you. It is the duty of the leaders to draw the people to them, it is not the duty of the people to follow their leaders blindly. Those who have the real good of India at heart must be very careful, they must be more charitable, they must be more generous. If they do that, then there is a chance for India to advance. Otherwise I must say India will always remain as she is.

I am sorry to say that unfortunately our real statesmen and leaders, those who are leading the political life of the country, do not realise this difficulty and are not facing it bravely, but always shun and avoid it purposely. I say all rights of minorities should be respected. There are my friends who loudly appeal to sentiment and say these should be ignored. But I ask, Sir, how can human nature be ignored? What is the real grievance that the Indians have got against the English? The grievance is that all the higher services are monopolised by them. If we have got a right to claim a fair share in the administration, if you complain against the monopoly which is enjoyed by the English people in the matter of higher appointments, I say that we the minorities have got similar rights and complaints against the other advanced communities that they have a disproportionate share in the appointments open to Indians in general to the exclusion of the minorities, and we expect justice from these advanced communities and want them to stick and adhere to the same principle in their own cases too. I was surprised to hear from the Honourable the Home Member that there are only 3 Muhammadans in the Indian Civil Service

The Honourable Sir Malcolm Hailey (Home Member): The Honourable Member will, I am sure, allow me to correct him. I was referring to the Accounts Department, in which I said that 3 Muhammadans had succeeded in the competition; I did not refer to the Indian Civil Service.

Khan Bahadur Abdur Rahim Khan: But I could say for certain that Sikhs and Muhammadans are very poorly represented. That means that we are in the home but not at home. I can say both with regard to my community as well as the Sikh community that they are in the home but not at home. Now I should say to the advanced communities—for instance the Brahmins of Madras—I hope my friends from Madras will not take my views in any other light—the Brahmins of Madras are well advanced in education—and they would naturally rule the country, but they must realise this that there are other communities too to be considered. They should not stick to the principle “what is yours is mine and what is mine is my own.” I was surprised to hear the views of my friend Dr. Nand Lal. I will appeal to him and ask him to think over for a single moment coming as he does from Lahore, from the very heart of the Punjab, what is going on there? Can he say there is no Hindu-Muhammadan question there? I don't want to be personal, but can he ignore the fact that big personalities are dragged in every day and criticised? In spite of that he will neither admit his mistake nor change his views.

Dr. Nand Lal: A personal explanation, Sir. Since I am against that, I have raised my voice against communal representation.

Khan Bahadur Abdur Rahim Khan: Sir, with one small quotation from a newspaper which I read the other day, I will end my speech, and I should like to put those words into the mouth of the community which monopolises these services:

"We are the sweet selected few,
Let all the rest be damned;
There's room enough in hell for you,
We'll not have heaven crammed."

If that is the policy to be pursued, Sir, then I am sure the minorities are done for ever.

Chaudhri Shahab-ud-Din: Sir, at this late hour of the day, I do not propose to make a long speech. I think every aspect of the question has been debated upon and discussed very ably by the previous speakers. Sir, communal representation is an unavoidable evil. We must face the fact. The evil is there and we cannot ignore it. Let us try to overcome the evil if we can, but I think the tide is too high and the water too deep. The Government of India as well as the Provincial Governments have always tried to do justice to every Province and every community. They have been issuing circulars and letters from time to time to all heads of departments to keep in view as far as possible claims of all communities consistently, of course, with efficiency and ability, in the matter of Government appointments. The principle is there and the Government have always recognised and acted upon it. Now as regards the opposition to the principle of communal representation, I think those who are the strongest opponents of the principle are in fact its strongest advocates and supporters. I would like to make myself clear . . .

Dr. Nand Lal: I am not at least.

Chaudhri Shahab-ud-Din: Well, they say that they are against communal representation, but in reality they are in its favour. If they are against communal representation, it does not lie in their mouth to say that a Sikh, a Parsee, a Muhammadan, a sweeper or a Christian should not try for loaves and fishes. For them it should be immaterial who get the Government appointments. Why should they say that the claims of minorities should not be recognised and considered in the services? That shows their real object. Those communities and classes which have got the so-called loaves and fishes are the very people who are opposing communal representation. If they are sincere, that is to say, if they sincerely are against communal representation, they should not mind whether a sweeper or an untouchable gets a loaf or a fish. They should not object because they are against communal representation. Logically, their position is indefensible. However, that is a question which I need not pursue further. In my opinion every community must have a fair share in the services, and our Government have happily always recognised that wholesome principle. The object of the Mover of the Resolution is not to harass Government or to place obstacles in the way of the officers of Government. There are very many difficulties in their way. It is not an easy task to adjust the claims of so many rival communities and sub-communities, sects and sub-sects, or castes and sub-castes. That is a very difficult task. In view of these circumstances, I would advise the Mover of the Resolution not to insist upon the wording of his Resolution but to accept the amendment of Sir Deva Prasad Sarvadhikary with the addition which I am going to propose.

Sir Deva Prasad Sarvadhikary's amendment is as follows :

"That this Assembly recommends to the Governor General in Council that in making new recruitment for the Services under the control of the Central Government, steps be taken to secure that the Services are not unduly overweighted with representatives of any one community or province."

I would like to add with the permission of the Honourable the President and the Members of the House the following words at the end of that amendment :

"and that, as far as possible, the claims of all communities and provinces are considered."

I am perfectly satisfied with this addition and I think so are some of my friends who are really responsible for the Resolution in question. I may inform the House that Sir Malcolm Hailey has very kindly assented to this addition being made to Sir Deva Prasad's amendment and I hope now the Honourable Members of this House will accept the amendment with my addition unanimously.

Mr. President: Further amendment moved :

"To add to the amendment proposed by Sir Deva Prasad Sarvadhikary the following :

"and that, as far as possible, the claims of all communities and provinces are considered."

Mr. J. P. Cotelingam (Nominated: Indian Christians): Sir, as the solitary representative of one of the minorities in the Assembly I would like to say a few words on the motion before the House. There is nothing new or startling in the Resolution moved by the Honourable Mr. Muppil Nayar. The principle underlying that Resolution is, as Honourable Members know, the policy pursued by Government from the days of Queen Victoria of gracious memory. All that the Resolution seeks to do is to emphasise or reiterate that policy. Where all qualifications are equal, it asks of the Government of India for consideration in the case of classes or communities not adequately represented in the various services. It asks for a share in the administration as the country is marching on its onward progress towards the goal of self-Government. It asks for equal opportunities for all sections of the community that have the necessary qualifications for such service. The Indian Christian community has stood in the past and stands for a fair field and no favour. I repeat what I have said, namely, that the community that I have the honour to represent in this Assembly stands for a fair field and no favour. I have confidence that the Government will hold its balance even in the midst of the conflicting claims of the various communities and that in the recruitment for the various services, it will see to it that no one community gets the monopoly or is particularly favoured. After the pronouncement made by the Honourable Sir Malcolm Hailey, I venture to think that, taking into consideration the Resolution moved and the amendments for and against, the amendment moved by the Honourable Sir Deva Prasad Sarvadhikary is a happy solution of the problem.

(Several Honourable Members: "I move that the main question be now put.")

Mr. President: The question is that the main question be now put.
The motion was adopted.

Mr. K. Muppil Nayar: Sir, though I am not able to follow the advice of my Honourable friend Dr. Nand Lal, I wish to say a few words in conclusion. Let me assure the Government that I have no intention at all of embarrassing the Government and I quite realise the difficulties mentioned by the Honourable the Home Member. But it is the very existence of these difficulties that has called for a sort of communal representation, and until those difficulties are wiped out, I am sure some sort of communal representation will be essential. I would, however, like to withdraw my Resolution in favour of the amended Resolution as amended by Chaudhri Shahab-ud-Din, and I accept that amendment, of course once more urging the claims of the landed interests.

Mr. President: The original question was :

" This Assembly recommends to the Governor General in Council that the Government of India in making appointments to offices under its direct control shall ordinarily, where the qualifications of candidates are adequate to discharge the duties efficiently by their education, ability, and integrity, give preference to those that belong to classes or communities which are not well represented in the service, due regard being had to Provincial considerations."

Since which an amendment has been moved :

" For all the words after the words ' shall ordinarily ' the following be substituted :
' be guided by considerations of capacity, efficiency and character irrespective of caste or creed '."

Further amendment moved :

" Substitute the following for the original Resolution :

' This Assembly recommends to the Governor General in Council that in making new recruitment for the services under the control of the Central Government, steps be taken to secure that the services are not unduly overweighted with representatives of any one community or province '."

Further amendment moved :

" To add at the end of that amendment the words ' and that, as far as possible, the claims of all communities and provinces are considered '."

The question I have to put is that those words be added to Sir Deva Prasad Sarvadhikary's amendment.

The motion was adopted.

Mr. President: Now, I want the Assembly to pay particular attention to the way in which I shall put the question now. I propose, first of all, to put the question that all the words after and including the words " where the qualifications of candidates " down to the end of the Resolution be omitted.

Mr. W. M. Hussanally: As the Resolution has been withdrawn, it need not be put to the House.

Mr. President: If Mr. Muppil Nayar withdraws his Resolution with the consent of the House, there is no decision and all the amendments fall.

I put the question that the words

Mr. K. Muppil Nayar: I have withdrawn my Resolution in favour of Chaudhri Shahab-ud-Din's amendment.

Mr. President: The Honourable Member can vote for it.

The question is:

"That the words 'where the qualifications of candidates are adequate to discharge the duties, etc.' down to the words 'Provincial considerations' be omitted."

(While the question was being put, it became clear to Mr. President that the position was apparently not clear to the House.)

Mr. President: If I am to leave an opportunity for Mr. Jayanti Ramayya's amendment to be carried, I can only do so by omitting those words in the original Resolution and I must still after that leave an opportunity to put Sir Deva Prasad Sarvadhikary's amendment, if possible.

Mr. J. Ramayya Pantulu: I am willing to withdraw my amendment in favour of the amendment proposed by Sir Deva Prasad Sarvadhikary.

Sir Deva Prasad Sarvadhikary: I am willing, Sir, to accept the addition of the words suggested by Chaudhri Shahab-ud-Din.

Mr. President: The position at this moment is that the Honourable Member's amendment has been amended by the addition of the words proposed by Mr. Chaudhri Shahab-ud-Din. Do I understand the Honourable Member from Madras (Mr. Ramayya) to withdraw his original amendment?

Mr. J. Ramayya Pantulu: In favour of the amendment

Mr. President: Do I understand him to withdraw it? He cannot withdraw it in favour of any amendment.

Mr. J. Ramayya Pantulu: I withdraw it.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President: The question is that the following be substituted for the original Resolution:

"That this Assembly recommends to the Governor General in Council that in making new recruitment for the services under the control of the Central Government steps be taken to secure that the services are not unduly overweighted with representatives of any one community or province and that as far as possible claims of all communities and provinces are considered."

The motion was adopted.

Mr. President: The question is that the Resolution, as amended, be adopted.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 12th March, 1923.

LEGISLATIVE ASSEMBLY.

Monday, 12th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

MOTION FOR ADJOURNMENT PASSED BY ASSEMBLY ON 26TH JANUARY 1923.

548. ***Mr. Harchandrai Vishindas:** (a) Will Government be pleased to state if they have forwarded to the Secretary of State for India the Motion for Adjournment passed by this Assembly on the 26th January last, under rule 11, of the Indian Legislative Rules?

(b) If so, will the Government be pleased to state whether any official changes or any other action has taken place as a consequence of the passing of that motion?

(c) If not, will Government be pleased to state how effect can be given to the passing of such motions?

(d) Does a Motion for Adjournment in Indian Legislature have the same effect as one passed by the British Houses of Parliament?

(e) If not, in what direction lies the difference?

The Honourable Mr. A. C. Chatterjee: Sir, on behalf of the Honourable the Home Member I shall answer parts (a) and (b) of this question. I understand that parts (c), (d) and (e) are in the competence of the Chair.

“(a) Yes, on the 8th February.

(b) The Government of India are not aware that any official action has been taken. The appointment of a Royal Commission is made by His Majesty the King Emperor and not by the Government of India.”

Mr. President: Parts (c), (d) and (e) of this question, strictly speaking, are not matters within the special cognisance of any Member of Government; but as they relate closely to the procedure of the Legislative Assembly, I propose to answer them myself.

“(c) No direct effect can be given to an Adjournment Motion of this House. The rule itself only provides a convenient method by which the ordinary business of the Assembly may be put on one side in order to make way for the discussion of some sudden emergency. The only question put from the Chair on that occasion is “that this House do now adjourn.” If this motion is carried, the action of the Assembly may be taken (a) as evidence of the serious view which the majority of the House takes regarding the matter, and (b) as possibly a vote of censure on Government. (d) An Adjournment Motion in the Indian Legislature has the same motive and purpose as a similar motion in the House of Commons. It can hardly

be said to have the same effect, however, because in the House of Commons the Government of the day might regard the passage of such a motion as evidence of such a loss of parliamentary confidence that it would have no course but to resign, whereas I may add, as far as am aware, the Government of India does not resign.

The Honourable Member will now perhaps be able to judge for himself how far there is any specific difference between Adjournment Motions in Delhi and Westminster.

Mr. P. P. Ginwala: Supplementary question, Sir. Is there any foundation for the rumour that, in consequence of the vote of censure, implied in the adoption of this Resolution by the House, His Majesty's Secretary of State has tendered his resignation to His Majesty?

The Honourable Mr. A. C. Chatterjee: I have not seen that reported, Sir.

FUTURE COURSE OF NON-OFFICIAL BILLS.

549. ***Mr. Sambanda Mudaliar:** Will Government be pleased to state whether the present Session is the last one of the present Legislative Assembly? If so, what is to become of the various non-official bills either introduced already and circulated for opinion or referred to the Select Committee?

The Honourable Mr. A. C. Chatterjee: I am again answering on behalf of the Honourable the Home Member, Sir. Government are not in a position to state whether the current session will be the last session of the present Assembly. As the Honourable Member is aware, the dissolution of the Assembly is a matter which is in the discretion of the Governor General. Government are advised that all Bills, whether official or non-official, which are pending in the Assembly at the time of its dissolution, will lapse.

Dr. H. S. Gour: May I ask, Sir, if there is anything in the Standing Orders of the Legislative Assembly to justify the advice or the ruling given just now, namely, that all non-official and official Bills pending at the moment of dissolution will *ipso facto* lapse. So far as I am aware, there is a Standing Order in favour of lapsing in the House of Commons but there is no corresponding rule in the Standing Orders of the Legislative Assembly. And, because there is no rule providing for the lapsing of these Bills, I submit that it cannot be laid down by analogy that all Bills pending on the dissolution of the present Assembly shall *ipso facto* lapse.

The Honourable Mr. A. C. Chatterjee: I don't quite understand, Sir, whether the Honourable gentleman asked me a question or wished to lay down a proposition. He asked me whether there was anything in the Standing Orders. The Standing Orders are as well known to him, Sir, as they are to me.

Dr. H. S. Gour: I wish to ask the Honourable Member whether the opinion of the Government providing for the lapsing of Bills is based upon any explicit direction contained in the Standing Orders of the Legislative Assembly.

The Honourable Mr. A. C. Chatterjee: I should like notice of that question, Sir.

Mr. K. Ahmed: Are the Government aware that there is a rumour afloat that they suspect very much that Government are not holding or giving assurance of holding a session at Simla and that thereby they are going to deprive the country of the benefit of moving these Bills and getting them passed?

Mr. President: The Honourable Member evidently assumes that it is a matter for the Governor General in Council. It is not: it is a matter for the Governor General.

Mr. K. Ahmed: About the rumour, Sir.

Mr. President: The Government has no attitude on this subject.

Mr. K. Ahmed: The danger, Sir, of the rumour?

DATES OF NEXT ELECTIONS.

550. ***Mr. Sambanda Mudaliar:** Will Government be pleased to state whether it is a fact that the elections of some of the local Legislative Councils are to be held in July or August next? If so, will Government be pleased to state whether the elections of Members of the Assembly from those provinces will also be held simultaneously as was done last time?

The Honourable Mr. A. C. Chatterjee: The answer to the first part of the question is " we have no information on the subject " and the answer to the second part is " No date has yet been fixed for the next elections to the Legislative Assembly ".

Mr. Sambanda Mudaliar: Will the Honourable Member be pleased to state whether any communication has been received by this Government from the Madras Government in regard to the date of the election being fixed in August or some other date?

The Honourable Mr. A. C. Chatterjee: I am answering this question on behalf of the Honourable the Home Member, Sir, who is unavoidably absent elsewhere, and I regret I cannot give any answer to this question. I think it will be best for the Honourable Member to put down the question on the paper.

Mr. Mahmood Schamnad Sahib Bahadur: Will the Government be pleased to arrange to have the elections for the Legislative Assembly and the Provincial Councils to be held simultaneously as was done last year?

Mr. President: The Honourable Member heard the last answer given by the Member of Government. I think it will be advisable both in the interests of question and of answer that he should wait until the Honourable the Home Member is able to be in his place. If he puts another question he will no doubt get an answer.

ISSUE OF RAILWAY RECEIPTS AT DELHI.

551. ***Mr. R. A. Spence:** (a) Is it a fact that Railway Receipts are not always issued at Delhi Railway Station on the same day as goods are delivered for despatch from that station?

(b) Is it a fact that goods left at the Delhi Railway Station, for which a Railway Receipt has not been issued are often tampered with?

(c) What steps do the Railway Board propose to take to see that Railway Receipts are always issued on the day goods are delivered at the Railway Station?

Mr. C. D. M. Hindley: (a), (b) and (c). Government have no information. The East Indian, Bombay, Baroda and Central India, Great Indian Peninsula and North-Western Railways have separate goods offices in Delhi and if the Honourable Member will indicate the name of the Railway to which his question refers inquiry will be made.

COAL TRAFFIC FREIGHT RATES.

552. ***Mr. N. C. Sircar:** (a) With reference to His Excellency the Viceroy's reply to the address presented by the Indian Mining Federation, Calcutta, on the 16th December last, will the Government be pleased to state if steps are now being taken towards a reduction of the freight rates for the movement of long distance Coal Traffic?

(b) If the reply be in the affirmative, will the Government give an idea as to the extent to which the reduction is likely to be effected and as to the time when the reduced rates are likely to come into operation?

Mr. C. D. M. Hindley: (a) and (b). The feasibility of making a reduction in the rates for long distance coal traffic is under consideration but Government is not at present in a position to make any more definite statement regarding the matter.

ORIYAS IN GOVERNMENT SERVICE.

553. ***Mr. B. N. Misra:** Will the Government be pleased to state the number of Oriyas:

(a) In the Postal and Telegraphic Department;

(b) In the Income-tax Department;

(c) In the several Departments of the Secretariat establishments of the Government of India drawing a salary of—

(i) Rs. 500 or upwards;

(ii) Rs. 100 or upwards?

The Honourable Mr. A. C. Chatterjee: The information is being collected and will be furnished to the Honourable Member in due course.

Mr. K. Ahmed: Will the Government be pleased to enquire with regard to Bengal Muhammadans if there will be any in (a), (b) and (c) Departments drawing a salary of (i) Rs. 500 or upwards and (ii) of Rs. 100 or upwards?

Mr. President: This question has nothing to do with Bengal Muhammadans.

LAC RESEARCH WORK.

554. ***Babu Braja Sundar Dass:** Will the Government be pleased to state:

(a) The amount realised as the lac-cess after passing of the Bill?

(b) The amount of unspent balance, if any?

(c) The conditions on which officers and men have entered service?

- (d) The number of men and officers engaged in the lac-research work stating their personal pay, status and qualifications?
- (e) Is the department of research in this direction going to be permanent one?
- (f) What amount, if any, do the Government contribute for the lac-research work?

The Honourable Mr. C. A. Innes: (a) and (b). As already notified an abstract of the accounts of the Indian Lac Association for Research will be published in the Gazette of India as soon as they are received by the Government of India. The information asked for is not available at present.

(c), (d) and (e). The Lac Association is not a Government body and Government have no information on these points.

(f) A sum of Rs. 43,427-10-1 being the net realizations on the balance of shellac deliverable under the Munitions Shellac Purchase Scheme after the Home Government had ceased to purchase shellac, was made over to the Association as a grant with which to commence its scientific work. The money was derived from the trade generally and was allotted by consent to the benefit of the trade. The Government had no claim to this money and no contribution has been made by Government to the Association.

Sir Deva Prasad Sarvadhikary: Do these receipts and expenditure in any way appear in any Government account and do they at all come up before Government except in the way of report?

The Honourable Mr. C. A. Innes: No, Sir. They come up to Government and are published for general information in the Gazette of India.

DELHI POLICE SERGEANTS.

555. ***Khan Bahadur Sarfaraz Husain Khan:** (a) Is it a fact that the Delhi Police has got a class of officers as Sergeants?

(b) If the answer is in the affirmative, will the Government be pleased to state as to the methods of recruitment of such officers?

(c) If not, will they be pleased to state whether sergeants are placed on deputation to Delhi, from the Punjab Police; and if so, whether such officers on deputation are paid from the Delhi Police grant?

The Honourable Mr. A. C. Chatterjee: (a) Yes; there are 9 Sergeants on the sanctioned strength of the Delhi Police.

(b) Vacancies are filled in accordance with Police Rules by the Senior Superintendent of Police by selection from a list of approved candidates maintained in his office.

(c) Does not arise.

DELHI POLICE SUB-INSPECTOR.

556. ***Khan Bahadur Sarfaraz Husain Khan:** Will the Government be pleased to state as to what is the minimum pay of Police Sub-Inspector of Delhi?

The Honourable Mr. A. C. Chatterjee: The minimum pay is Rs. 80 in a time-scale of Rs. 80 rising by quinquennial increments of Rs. 10 to Rs. 180. There are also three selection grades on Rs. 140, 150 and 160.

REFRESHMENT ROOM CONTRACTS.

557. ***Sardar Bomanji A. Dalal**: 1. Will the Government be pleased to state whether it is a fact that Government are taking away Railway Refreshment Room contracts from Indians and that they are giving such contracts to Europeans?

2. Is it a fact that Government intend to give the monopoly of such contracts to Europeans?

3. If so, will Government be pleased to state what led them to take this step?

4. Will Government be pleased to state whether they intend to give Railway Refreshment contracts to Indians of established reputation in future or not?

5. Why do Government not invite tenders from the public for such contracts?

Mr. C. D. M. Hindley: 1 and 2. The reply is in the negative.

3. Does not therefore arise.

4 and 5 Government have no doubt that Railway Administrations will continue, as in the past, to give Refreshment Room Contracts to the most suitable persons available irrespective of their nationality.

Mr. K. Ahmed: Is it not a fact, Sir, that in the case of Messrs. Sorabji and Company who are the contractors for the supply of refreshments on the Eastern Bengal and other Railways there have been complaints against them that their food is not only inferior in quality but insufficient in quantity? Is it not a fact, Sir, that some Railway Companies, as for instance, the Bengal Nagpur Railway Company, have taken over the management of these (refreshment rooms) and the management is going on better than on the Eastern Bengal Railway?

Mr. C. D. M. Hindley: It is a fact Sir, that the Bengal Nagpur Railway Company manage their own catering department.

Mr. K. Ahmed: Do Government propose to adopt the same in regard to all the Railways?

Munshi Iswar Saran: Will Government state if in future it will invite tenders from the public for these contracts?

Mr. C. D. M. Hindley: This matter is one which the Railway Companies deal with within their own competence. So far as State Railways are concerned, I believe it has been the case that tenders have been called for.

Munshi Iswar Saran: Will a suggestion be made to these Companies to follow the excellent example set by the State-managed Railways?

Mr. C. D. M. Hindley: I will make a note of that suggestion, Sir.

B. N. RAILWAY WORKSHOP STAFF.

558. ***Mr. K. B. L. Agnihotri**: (a) With reference to Mr. Joshi's question No. 142, dated 5th February, 1923, will the Government be pleased to state whether they are aware that the termination of services of certain number of daily paid staff, in the Bengal-Nagpur Railway workshops, has created much discontent among the other workers of the Railway?

(b) If not, will the Government be pleased to make an enquiry?

(c) Will the Government be pleased to state, (i) the number of daily paid staff whose services have been terminated; and also (ii) the number of daily paid workers; and (iii) the monthly paid workers at the Kharagpur workshop before the termination of the daily paid workers; and (iv) also the saving in expenditure per month by this termination of services?

(d) Were the persons whose services have been terminated ever punished before this occasion for their bad or negligent work or were they reported against by their superior officers in charge of the Departments concerned and were these punishments noted in their history sheets?

(e) Is it a fact that the Bengal-Nagpur Railway Workmen's (or Labour) Union approached the Agent of the Bengal-Nagpur Railway to receive their deputation to hear their grievances in this connection and the Agent gave a curt refusal to that request?

(f) (i) Will the Government be pleased to state if there was not enough work for these workers at the workshop before their services were terminated? (ii) If the work was enough for such men, then will the Government state the arrangements which the Railway Company intends to make for the speedy and efficient work in the workshop?

Mr. C. D. M. Hindley: In reply to the whole of this question I have to say that the reduction in the daily paid staff on the Bengal Nagpur Railway workshops has been made in the interests of economy in working which all railway administrations are now endeavouring to effect.

The necessity for retrenchment in working expenses has been strongly impressed upon them and the Railway Board must leave it to the discretion of the Agents to effect reductions in the best manner possible. The Railway Board believe that where reductions in staff have to be made the Agents are giving the fullest consideration to the claims of the staff in order to avoid as little hardship as possible. Government do not therefore propose to enquire further into the circumstances of the particular case of retrenchment to which this question refers.

Mr. N. M. Joshi: May I ask, Sir, whether during this period, at the time when these people were dismissed, the number of officers in the Supervising grade was increased actually?

Mr. C. D. M. Hindley: I believe, as far as my knowledge goes, that there was no such increase.

Mr. N. M. Joshi: Has the Honourable Member scrutinised the figures given in the present Budget?

Mr. C. D. M. Hindley: I have scrutinised the figures in the present Budget for the last few days very carefully, but I do not know how that bears on this particular question.

B. N. RAILWAY ASSISTANT DISTRICT TRAFFIC SUPERINTENDENTS.

559. ***Mr. K. B. L. Agnihotri:** a) What was the number of the Assistant District Traffic Superintendents working on the 31st December, 1920, in each of the Railway districts in the Bengal-Nagpur Railway and what was the number of such officers in such districts on 31st December, 1922?

(b) If the number has increased, will the Government be pleased to give the reasons for such increase?

Mr. C. D. M. Hindley: The number of Assistant District Traffic Superintendents sanctioned for the Bengal Nagpur Railway in 1920 was 27. This sanction has not been altered since.

The Company distribute their staff in accordance with the needs of Traffic working and without reference to the Government of India.

N. W. RAILWAY SLEEPER CONTRACT.

560. ***Mr. K. O. Neogy:** 1. Is it a fact that the North-Western Railway placed a contract for cement sleepers for 1921-22, with a certain firm in Calcutta? If so, for how much and at what rate?

2. Is it a fact that the said firm did not supply the full number of cement sleepers required, but was at the same time given another contract for the same at a higher rate later on? If so, what was the number for which the later contract was given, and at what rate?

3. Will Government be pleased to state whether cement sleepers have proved a success on the Railway lines?

Mr. C. D. M. Hindley: 1. The North Western Railway placed a contract in May 1921 for the supply of 50,000 cement concrete sleepers before 31st March 1922 with Messrs. Concrete Products (Bird and Company), Delhi, at Rs. 13 per sleeper, *f. o. r.* Delhi, Kingsway.

2. The firm did not supply the full number of sleepers by the 31st March 1922, but as more of these sleepers were required, a fresh contract for the supply of 100,000 sleepers at Rs. 16-12 per sleeper was entered into, the rate being fixed after a very thorough examination of the case.

3. The concrete sleepers have not been in use for a sufficiently long time to prove whether they will be a complete success but experience so far gives promise that they will be a great success owing to their having much longer life than wooden sleepers.

Mr. W. M. Hussanally: Had any tenders been invited before the rate of Rs. 16 and odd was fixed?

Mr. C. D. M. Hindley: I am not in a position to state whether tenders were called for for these concrete sleepers. I do not think there are any other competing firms.

Sir Montagu Webb: May I ask the reason why the original contract was not carried out?

Mr. C. D. M. Hindley: I am not able to say exactly, but there were various difficulties met with in the manufacture of this particular article and the outturn was not as great as had been anticipated.

Rao Bahadur T. Rangachariar: Were the difficulties which were experienced peculiar to the firm, or were they the general world-wide difficulties?

Mr. C. D. M. Hindley: As far as I know there is no other firm making these concrete sleepers and so I suppose these difficulties were peculiar to the particular firm.

Mr. Jamnadas Dwarkadas: Is the Honourable Member in a position to state what is the relative cost of the teakwood sleeper and cement sleeper?

Mr. R. A. Spence: Can the Honourable Member state how many sleepers of the original contract were not delivered at the rate of Rs. 13?

Mr. C. D. M. Hindley: I am afraid I have not got the figures. I must require notice.

Mr. W. M. Hussanally: Have they since been delivered?

Mr. C. D. M. Hindley: I am not in a position to say that without notice. I wish to have notice.

SURMA VALLEY—INCLUSION IN BENGAL.

561. ***Rai Bahadur G. O. Nag:** Are the Government aware that in 1920 just before the introduction of the Reforms, the people of the Surma Valley in Assam were agitating for inclusion of their districts within Bengal on the ground that unless they were so included they might run the risk of being deprived of the benefits of the permanent settlement of the Calcutta High Court, and of the Calcutta University, and Sir Nicholas Beatson Bell, the then Chief Commissioner of Assam, issued a communiqué in the following words:

“ Sir Nicholas Beatson Bell has authority from the Government of India to give an unqualified denial to all the allegations? The permanent settlement will remain for ever inviolate; so also will the connection of Sylhet with the Calcutta High Court and the Calcutta University unless and until the people of the Surma Valley through their elected representatives express a clear desire for a High Court or a University of their own ”?

The Honourable Mr. A. O. Chatterjee: The reply is in the affirmative.

Rai Bahadur G. O. Nag: Are the Government aware that there are two Bills now pending before the Bengal Legislative Council for re-modelling the Calcutta University and that neither of these Bills makes any provision for the control and management of the schools and colleges of Assam. If any of the Bills is passed into law what is to become of the pledge given by the then Chief Commissioner of Assam?

The Honourable Mr. A. O. Chatterjee: The Bills to which the Honourable Member refers are before the Legislative Council of Bengal which is competent to legislate with regard to the Calcutta University.

Rai Bahadur G. O. Nag: Are the Bengal Council competent to legislate in respect of the schools and colleges of Assam? That is the point.

The Honourable Mr. A. O. Chatterjee: The Bills do not refer to the schools of Assam at all. As regards the colleges I should like a question put on the paper so that I can give a considered answer.

Mr. J. Chaudhuri: May I ask the Honourable Member whether he has considered the question that under the Devolution Rules the Central Government is to legislate for the Calcutta University and is the Government competent to delegate its powers to the Bengal Legislative Council in that respect?

Mr. President: That is rather a large question to ask as a supplementary question.

Mr. K. Ahmed: How are the Government going to fulfil the pledge about the Calcutta University being always continued so that the people of the districts may not run the risk of being deprived of the benefit of that University.

The Honourable Mr. A. O. Chatterjee: I did not hear the question.

UNSTARRED QUESTIONS AND ANSWERS.

POSSESSION OF AEROPLANES BY UNIVERSITY CORPS.

233. Mr. Saiyed Muhammed Abdulla: In reference to the reply given to my question No. 317 of 1922 (page 3397, of the Debates, Vol. 2, Part 3), do the units of the University Corps or any members of it possess any aeroplanes? If so, what is the number and what arrangement is observed for their proper custody and lawful use?

Mr. E. Burdon: The answer to the first part of the question is in the negative and the second part does not arise.

AEROPLANES.

234. Mr. Saiyed Muhammed Abdulla: In reference to the reply given to my question No. 315 of 1922 (page 3397 of the Debates, Vol. 2, Part 3), will the Government be pleased to lay on the table the particulars of the 12 aeroplanes registered till 1922, and also of any others registered since then?

Colonel Sir Sydney Crookshank: Particulars of all civil aeroplanes registered up to date under Rule 15 of the Indian Aircraft Rules, 1920, are laid on the table.

Statement showing the number of registered civil aeroplanes with the names of their owners and their stations, up to date.

No.	Type of machine.	Owner's name and address.	Station.	REMARKS.
1	Handley Page	Handley Page Indo-Burmese Transport, Ltd., 16, Chowringhee.	Calcutta	Cancelled.
2	Ditto	Messrs. G. McKenzie & Co., Ltd., 17-3, Chowringhee Road, Calcutta.	Dum Dum	Ditto.
3	Avro	Mr. F. Villiers, Clive Buildings, Calcutta.	Dum Dum aerodrome, Calcutta.	
4	Handley Page	Handley Page Indo-Burmese Transport, Ltd., 6, The Mall, Dum Dum, Calcutta.	Ditto	Cancelled.
5	Avro	Mr. W. P. Wills, Riverside, Egmore, Madras.	Egmore, Madras	Ditto.
6	D. H. 9	Raja N. Muntaz Ali Khan, Raja of Utraula.	Utraula	Ditto.
7	Ditto	} Assam Government	Dum Dum	Ditto.
8	Ditto			
9	Ditto			
10	Sopwith	Mr. F. Villiers, Clive Buildings, Clive Street, Calcutta.	Dum Dum aerodrome, Calcutta.	
11	D. H. 9	Mr. L. Murphy	Karachi.	
12	Avro	Mr. F. Villiers	Dum Dum aerodrome, Calcutta.	
13	Ditto	Messrs. G. McKenzie & Co., Ltd.	Ditto.	
14	Ditto	Ditto.	Ditto.	

NOTE :—Excludes one aeroplane registered in an Indian State.

ARTICLE 7c " NON-CO-OPERATION BY GOVERNMENT AND COMPANY RAILWAYS "
7c GRIEVANCES.

235. **Rai Sahib Lakshmi Narayan Lal:** 1. Has the attention of the Government and the Railway Board been drawn to the articles headed "Non-co-operation by Government and Company Railways" in the *Tribune* of 19th December, 1922, and 9th February, 1923?

2. Have the Government or the Railway Board taken any step to remove the grievances of the people referred to therein?

3. If not, will the Government and the Railway Board be pleased to consider the advisability of removing the said grievances or such of them as they think fit?

Mr. C. D. M. Hindley: 1. Yes.

2 and 3. The comfort and convenience of all classes of passengers are matters which are receiving the earnest attention of Government and the railway administrations and endeavour is made to remove grievances wherever practicable.

THE BUDGET—LIST OF DEMANDS.

SECOND STAGE.

Method of Presentation.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): I wish to repeat the remark which I made in the first year of our existence as regards the way in which these Demands are placed before the House. Under clause 130 of our Manual of Business at page 43 you will notice that it contemplates that different days shall be allotted for different heads of Demands. Now, fixed days are allotted for all the Demands put together. I do not think it is consistent with the spirit or the intention or the language of that rule that these Demands should be placed lumped together for all the days. On the first occasion when I raised this question on the 7th March 1921 the Honourable the Leader of the House, Sir Malcolm Hailey, pointed out that he wanted to acquire experience of the way in which these Demands were disposed of by the House so that for future years he would note the request and give us separate days for separate heads of Demands. I am sorry he is not here to-day and I am raising the question in his absence, but if his absence causes any inconvenience to the Government Benches I will repeat the question later on when he comes, but it seems to me that it would be more advantageous to the House if different days are allotted for the different heads of Demands so that we may come prepared. Not only that, we may not rush our amendments so as to be within time, that is, the two days' notice. In fact, as the House will notice, Members have given notice of a lot of amendments which they would not have done but for this procedure being adopted, because then they will consider very carefully before they send notice of their amendments.

The Honourable Sir Basil Blackett (Finance Member): No question I think is more difficult than the question of how to place before a Parliament the estimates of the expenditure for the year. I do not understand whether the Honourable Member in moving this desires to complain of

[Sir Basil Blackett.]

the six days being insufficient as a whole, (*Rao Bahadur T. Rangachariar*: "That is one of the points") or of the general procedure. I think that experience, so far as I understand it, of the last two years has not made it appear that on the whole the six days are really insufficient. There is a difficulty always in conducting a debate on estimates which is apt to get diffused in a large Assembly. During the last two years I do not understand that there was any very great complaint as to the sufficiency of the period. But as regards the question of the form in which they are put I may perhaps refer to the procedure in the House of Commons in London. The system there is that a certain number of votes or demands are chosen usually by the leaders of the opposition parties. They take in order whichever votes they desire to have discussed and the debate on most days is confined to a general discussion of the subject on one or two or at most three votes. That enables the House of Commons to devote a full discussion, shall we say, to the Home Department, or Foreign Department, or some other Department, but although there are 20 days allotted under the British system, it is the usual experience that three-fourths of the votes are passed on the last day of the twenty without discussion. (*A Voice*: "As here.") The difficulty is to get away from that system. The Government would be very glad to consider further what method would lead to the convenience of the House in dealing with these matters as a whole and I do not know whether I may possibly suggest that a small committee might be appointed to discuss the subject. It is not an easy one. If that suggestion would commend itself—I would speak to the Leader of the House to consider what action we can take with a view to improving the procedure, but I think it must be for next year.

CUSTOMS.

The Honourable Mr. C. A. Innes (Commerce and Industries Member): I beg to move:

"That a sum not exceeding Rs. 66,17,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March 1924 in respect of 'Customs'."

The Demand as shown in the printed* book has been reduced by Rs. 69,000 to correct a misstatement in budgeting made by the Bengal Government in regard to the expenditure on over-time allowances.

The Honourable Sir Basil Blackett: Sir, I do not know whether I shall be in order, but I think it will be for the convenience of the House if I were to give a little explanation in regard to the supplementary sheet which was circulated on Saturday. The original figures as shown in the blue Detailed Estimates and Demands for Grants are altered under various heads by this statement, the total reduction on those being Rs. 4,07,27,000, slightly more than the 4 crores which was the figure used in my Budget statement. That reduction together with reductions already taken account of in the Budget make a total reduction of 7,09,96,000 as compared with the total reductions of 9,04,92,000 recommended under the corresponding heads by the Retrenchment Committee. It will be seen therefore that the Government according to this sheet has given effect in regard to Civil

* Blue Book on Detailed Estimates for Demands for Grants for Expenditure of the Central Government charged to Revenue and Capital and also of Disbursements of Loans and Advances for 1923-24.

Estimates to rather more than 7 crores out of just over 9 crores of the recommendations made by the Retrenchment Committee, the difference of rather less than 2 crores being the amount which we have thought it necessary to allow for the lag, for the fact that all these reductions cannot be enforced in full by the 1st April. There are however included in the cuts totalling 4,07,27,000, cuts to a total of 5,78,000, on which the Government of India has not yet been able to come to a final decision as to whether it will or will not be able to accept those particular recommendations. The details of that sum are under the Head of Education a sum of 1,67,000, under the Head of Medical 50,000, provision for Public Health Commissioner 20,000 and two large items—School of Mines 2 lakhs and the provision for the Indian Stores Department 1,41,000. The Government of India is still engaged in considering whether or not it is able to accept the reductions recommended by the Retrenchment Committee under these heads. In regard to the remainder the Government of India after careful consideration of the items has decided that it will do its best to put the recommendations into force. As I explained the other day it is difficult in estimating to say how much the lag may be and it is possible that an insufficient allowance has been made for the difficulty of bringing reductions into force at once but these items totalling 5,78,000 have not reached that stage. The Government of India has not yet decided that it can recommend those reductions.

Rao Bahadur T. Rangachariar: With reference to the statement made by the Finance Member just now, I notice that the 7 crores for which he claims credit includes a sum of 59 lakhs under miscellaneous adjustments, so that the proper sum of retrenchment effected is 6.50 out of 9.04 and not 7.09.

Mr. A. V. V. Aiyar (Finance Department: Nominated Official): That is merely transferred from the head Miscellaneous adjustments to the Head Political. You will find it explained in the explanatory note attached. If you take the two heads together there is an actual reduction.

Rao Bahadur T. Rangachariar: I do not know whether it is to be considered as carrying out the retrenchment recommendation. It requires to be carried out further to the extent of 2.50.

Mr. A. V. V. Aiyar: The reduction of 59 lakhs is set off by an addition under the Head Political. So it does not affect the question of reduction made or to be made.

Rao Bahadur T. Rangachariar: I beg to move:

“That the provision for pay of establishment under the head ‘Customs’ be reduced by Rs. 100.”

I wish to raise a question here of some importance to us as regards the personnel of the establishment in the Customs Department. This is one of the big departments under the control of the Government of India. Honourable Members will notice we voted nearly more than 40 lakhs under this head for establishment charges which consists of both the Imperial Service and the ordinary Indian Civil Service. This is one of those departments where the Indians have found it very difficult to gain admission. The Public Services Commission recommended a modest proportion of 50 per cent. of these services in the Imperial Services to be

[Rao Bahadur T. Rangachariar.]

allotted to the Indians. The present proportion in that service is about 23 and as regards the other important services carrying salaries of Rs. 200 and upwards I tried to get the figures but I am sorry to say the figures are not available in the Government of India. The Government of India who control this establishment have not even got the establishment list which will show these figures. They are not able to give me information as to how many Indians there are on this service carrying a salary of Rs. 200 and upwards. This department is administered for the Government of India by the provincial Governments as the agents of the Government of India and early in the history of this Assembly Honourable Members will remember we made a strenuous fight that lump provisions should not be granted. However on the undertaking that the matter will be examined thoroughly by the Finance Committee these lump provisions were allowed to remain and one of the lump provisions was in regard to Customs Service. When the matter came up before the Standing Finance Committee on the 2nd June 1921 and when they discussed these lump provisions for establishments, the Standing Finance Committee pointed out (I am reading from page 7 of the proceedings of the Standing Finance Committee of the 30th and 31st May 1921):

"This gave rise to considerable discussion particularly as to the necessity of employing officers of the class now employed and whether Indian establishment could not be obtained at cheaper rates. Eventually after long discussion the Committee agreed to accept the rates of pay proposed by the Government of India subject to the recommendation that efforts should be made to recruit Indians in large numbers."

This was in May 1921. Sir, we had hoped that the Government of India would take steps to see that Indians are employed in larger numbers in this department but from the way they are neglecting this recommendation of the Standing Finance Committee, because they have not even got the establishment list in their hands, how are they going to safeguard the interests of Indians in this department if they will not even keep a list in order to guide them and to control the Local Governments in the matter of the filling up of these appointments and I fail to see how they are going to discharge the trust which they have undertaken to carry out. I am not able to inform the House whether there has been improvement between March 1921 and to-day. Two years have passed. How many vacancies have arisen in this service; how many of these have been filled up, and how many have been filled up by Indians, are all questions of the deepest interest to us. I do not think, Sir, that we come here merely to raise academic questions, pass pious Resolutions and then walk out. Sir, we expect that when the Standing Finance Committee lays down a recommendation of that sort, that the Government of India will take active steps to see that the recommendation is carried out. I am therefore surprised that the Government of India who are really responsible for this establishment have not even got this information to give us; they are not in a position to give us that information to-day. Sir, how can they be discharging their duty? Sir, we all witnessed that very sad and heavy spectacle the other day when the communal question was discussed; it was one of the saddest days I have passed here in this Assembly. When that question was discussed and when the Resolution was finally carried, the Government of India were placed in a more difficult position than they would have been if merely it had been a question of Indianization. It is not only a question of Indianization; it is a question of—I find it difficult to manufacture a word—shall I call it communalization or

sectification; whatever it may mean, the Government of India cannot afford to neglect this important duty of theirs. Sir, let us have Indianization first, then let us afterwards, when Indianization is complete, find out whether communalization should come in or not. Let us not talk of communalization before Indianization has begun. This is a very important service under the control of the Government of India in which I trust earnest steps will be taken towards Indianization. I know, Sir, that the Honourable Member in charge cannot afford that time which is necessary to attend to these small matters. But surely the Secretary or other officers in the Department should have this information, because how else can they keep an eye on the service; how else can they keep a watch on the way in which the recruitment to this service is made? I therefore, Sir, in order to emphasise the position that this Assembly insists upon this Department being more Indianized, move this motion.

The Honourable Mr. C. A. Innes: Sir, as regards the superior establishment of the Imperial Customs Service Mr. Rangachariar is entirely off the mark. My claim for the Imperial Customs Service is that we are probably doing more in the way of Indianization than in any other service. Out of every three vacancies, two are filled by competitive examination in India; that is to say, 66 per cent. of the vacancies are filled by competitive examination in India. I think that the House will realize that that is a very great advance in the matter of Indianization.

As regards the, what I may call, subordinate services, the only two in which the question arises are the Appraising Department and, particularly, the Preventive Service, and I think that Mr. Rangachariar has probably got the Preventive Service chiefly in his mind. It is perfectly true that the question was raised in March 1921. It was also raised when the question of incurring expenditure out of a lump grant was placed before the Standing Finance Committee, and it is quite correct that the Standing Finance Committee did suggest that efforts should be made to increase the Indian element in the Preventive Service. Well, action was immediately taken on the recommendation of the Standing Finance Committee. All Local Governments were addressed on this point. A copy of the Standing Finance Committee's recommendation was sent to all Local Governments and they were all asked to instruct their Customs Officers, subject to local conditions, to carry out the wishes of the Standing Finance Committee and of the Government of India. It is perfectly true that I have not got information as to what progress has been made since that letter was issued in August 1921. These Customs Houses are under the direct administrative control of Local Governments. We do not have the establishment list, or the establishment roll, with us. Mr. Rangachariar says that I ought to have had this information here ready in order to give it to the House. He complains that I have not got it. Now, Sir, surely the remedy was in Mr. Rangachariar's own hands. If Mr. Rangachariar had so desired, he could have put a question; he could have put a question in any one of the sessions which have intervened since August 1921 and he would have had the information promptly placed upon the table. The fact of the matter is that Mr. Rangachariar forgot all about it till the budget demand came on and then he makes the complaint that I have not got the information ready here. If Mr. Rangachariar likes to put the question now, I will get the information collected as soon as possible and place it on the table. I have inquired into this matter in going round Customs Offices. In Madras I think they have

[Mr. C. A. Innes.]

made an advance and in Calcutta. Approximately, one-third of all the vacancies to the Preventive Service are now being filled as a matter of course by Indians. In the Customs House in Bombay, all I can say is—I have no exact figures—that a beginning has been made.

That, Sir, is my explanation, and I repeat what I said before, that had Mr. Rangachariar let me know that he required this information the information would have been ready here. But I say he has no right to complain that I have not this information stored ready for budget debates.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadian Urban):

Sir, I am somewhat surprised at Mr. Innes' explanation that because Mr. Rangachariar did not put questions at some meetings of this House, he has not with him what he certainly ought to have. (*The Honourable Sir Malcolm Hailey*: "Why?") We have heard explanations like that or something like it in regard to railway establishment books, only a few copies of which are said to be printed off for the elect and they have not been made available although question after question has been put for their production by our indefatigable friend Mr. Joshi. I do not know what the result of Mr. Rangachariar's questions would have been, but we do maintain, Sir, that record of expenditure for which the Government of India are responsible, although they may be administered by their agents the Local Government whom they are quite right in trusting as the Government on the spot, ought to be kept here. Without that, no verification is possible, and we have had an illustration of that need only this morning. When I looked at the lump figures circulated on Saturday last showing the reductions under the various budget items, I saw that there was under the heading 'Customs' an explanation at page 6 that the reduction of Rs. 69,000 is on account of contemplated savings in overtime charge. I see Mr. Innes shaking his head, and quite rightly, in the light of the further explanation that we had this morning. What is the difference between those two explanations, the one given on Saturday morning and the other on Monday morning? Those of us who, in the absence of these revised figures, had owing to the exigencies of the moment thought fit to send in motions good, bad and indifferent were misled—my friend to the right says 'mostly bad'; I am not surprised and I am glad they are not worse. Well, Government is no better off. The explanation heartened up some of us who are wanting to attack the overtime provision from their own points of views.

Mr. President: The overtime allowances are not under discussion.

Sir Deva Prasad Sarvadhikary: Sir, I am illustrating, merely illustrating the necessity of having information of this kind with the Central Government, for verification without which, I say, the Budget figures are not fit to be presented to the House for the purposes of voting grants. That figure is incorrect, or that explanation is incorrect, the Government of Bengal made a mistake in calculating the overtime and the mistake has been corrected; it is not a saving at all. I do not know what further mistakes they have made; I do not know what other mistakes other Governments have made and there is no means of checking. Then, Sir, on the general question: I am sure, on both sides of the House with which we are concerned, there will be a feeling of disappointment that much that could have been done in the way of further Indianizing this service, has not been done; where Indianization can proceed without any detriment to the interests

concerned, enough progress has not been made. I am prepared to bear out my Honourable friend that in Bengal a beginning has been made, but I also know, and desire to voice the feeling in Bengal, that nearly all that could be done has not been done. The class of people from which these recruits come, are somewhat sore, very sore I ought to say, that much further has not been done in the matter. The essential matter is to revise the pay from the point of view of suitable Indianization, because the objective, as I explained in another connection not long ago, of Indianization is not merely to keep the non-Indian out—there may be a desire like that in some quarters—but that is not all the object; we want to economize, and from that point of view, what is essential and what should have been begun is what the Incheape Committee says:

"The strength and pay of the staffs of the various Customs Houses should be examined with a view to possible economies."

That has not yet been attempted, and I hope someone on the Government Benches will not say that the Incheape Committee has just made that recommendation and therefore there was not time to go into the question of revising the strength and pay of the staffs. That is the essence of proper Indianization, and without that I do not think successful Indianization or economy would be possible either in this Department or in any other. A great deal will have to be done before we have finished, and the question has been prominently brought forward in connection with this Department in which Indianization could have been most carried out without detriment to the interests concerned.

Mr. W. M. Hussanally (Sind: Muhammadan Rural): I rise, Sir, to point out, in defence of the Government, that after this Resolution passed by the Finance Committee, some effort has been made, at least in my province—I am referring to the Karachi Custom House in my part of the province, not to the whole Presidency of Bombay, as my friend on my left corrects me. I am referring only to Sind,—so far as the Karachi Custom House is concerned, there were some few appointments sanctioned in 1921 in the preventive service, and so far as I am aware about 8 or 10 appointments were filled up. Out of these 8 or 10 appointments about 3 or 4 were given to Indians, and therefore I say that the policy of Indianizing these subordinate appointments, so far as the Karachi Custom House is concerned, has been begun; and the Government of India are not blameable so far as my Custom House is concerned. Another point that I was going to refer to is that to expect the Government of India to have establishment returns, and nominal rolls, for all subordinate posts in every Custom House is not possible, and therefore, if the Honourable Commerce Member has not got these nominal rolls for all the Custom Houses in India, I should not wonder. It is for the Local Governments and Departments to have nominal roles for these subordinate posts, and it cannot be expected that the Commerce Department of the Government of India should have them to be placed before the House. Thirdly, I want to say a word with regard to what fell from our revered friend, Sir Deva Prasad Sarvadhikary. He said that the object of Indianization was not only getting in more Indians into this kind of service, but also to revise the pay, by which I think he meant reducing the pay, of these subordinate staffs. I do not think that there is any room at all for reducing the pay of these subordinate posts; in fact the cry all over India has been that the pay and prospects of these subordinate offices is not sufficient even for Indians to live upon decently, and if I tell Sir Deva Prasad Sarvadhikary that the highest pay of a preventive officer is only Rs. 500 or Rs. 600 a month . . .

Sir Deva Prasad Sarvadhikary: I did not use the word "subordinate".

Mr. W. M. Hussanally: Well, by "subordinate" I mean all these preventive Services which are subordinate services. I do not think that Sir Deva Prasad Sarvadhikary thinks that the preventive service is any high service; it is after all a subordinate, non-gazetted service so far as I know, and the highest pay being only Rs. 500 or 600 a month, I do not think he would advocate that that pay should be reduced. The preventive service officers begin on a pay of Rs. 120 a month or so and I do not think he expects Government to reduce this pay for Indians, for if the pay is reduced, I do not think we can get the right kind of men to come and offer themselves for this kind of service. Therefore, so far as reducing the pay of these preventive service officers is concerned, I think it should be out of the question altogether.

Dr. H. S. Gour: (Nagpur Division: Non-Muhammadian): Sir, I am afraid Honourable Members have entirely misunderstood the object and scope of the Honourable Mr. Rangachariar's motion. The point he made was that two years back we passed a Resolution in favour of the Indianization of the Customs Houses. The Public Services Commission recommended that 50 per cent. of the appointments should be thrown open to Indians. The question therefore which Mr. Rangachariar raised was as to how far the recommendations of the Public Services Commission have been given effect to by the Government. We have been told by the Honourable Mr. Innes that Mr. Rangachariar has forgotten all about the question which he raised some months back, and that is the reason why the information which he sought is not available. But is the Honourable Mr. Innes quite sure that he did not forget all about the question himself? Surely, Sir, it was the duty of Government to see that a Resolution passed and a recommendation made was carried out, and for the purpose of ensuring compliance with recommendations and Resolutions of this House and of its Committees, it was the duty of Government vigilantly to inquire into the Indianization question and satisfy themselves that Indianization had been made to the extent demanded by this House. It is not a question of supplying statistics to the Members of this House; it is a question of doing a plain duty following upon the recommendations of this House, and from that point of view I deprecate the reply of the Honourable Mr. Innes. Now, Sir, he says, "we do not know to what extent the recommendation made by this House has been carried out." That is exactly the point upon which I submit the Government should have been prepared. They are not prepared. It is not merely a question as to whether any Member wishes to pursue that inquiry by reminding the Government; it is a question upon which the Government should have asked for no reminders. Then, Sir, we are not here dealing with the details of the subordinate preventive service or of the pay which members of this service should receive. We are dealing here with the broad question of policy. And it is from that standpoint that Mr. Rangachariar views this question, and it is from that standpoint that Members of the House generally view this question.

Lieutenant-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Sir, the remarks that have just fallen from my Honourable friend Mr. Rangachariar in his quest for Indianisation of the Customs Service, seem to have elicited no satisfactory reply from the Honourable Mr. Innes so far as the practical effect of the recommendations of the Committee is concerned.

But if it would please and satisfy Mr. Rangachariar and others who are thirsting for this information, I might tell him that the information at my disposal indicates that Indianisation of the Customs service, to which he has drawn attention is being put to very serious and practical effect, so much so that it is the opinion of various members of my community who are thereby seriously prejudiced that this Indianisation is going on at a very rapid rate indeed. Let there be no doubt. The Government is putting this into very rapid effect—although Mr. Innes is not in a position to give this House the exact figures.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Sir, it is surprising that the Government Member in charge of the Department is not aware of the exact number of officers who are serving in this department. Roughly speaking, taking, I suppose, from the chaprassis and petty clerks, he has stated that 66 per cent. of the people are Indians. Sir, I invite his attention to page 5 of the Demand for Grants, Bengal. We find that the existing strength is set out there as follows:

“ 247 Preventive officers at varying rates from Rs. 140 to Rs. 675.

310 Clerks at varying rates from Rs. 40 to Rs. 600.

27 Appraisers, 1 on Rs. 800 and rest at varying rates from Rs. 290 to Rs. 725.”

The Honourable Mr. C. A. Innes: Sir, on a point of explanation, I think perhaps I will save the time of the House and of Mr. K. Ahmed if I point out that what I said was that 66 per cent. of the recruits to the Imperial Customs Service were now being recruited in India. I did not refer to the subordinate services. I was talking of the Imperial Customs Service.

Mr. K. Ahmed: I am very much obliged, Sir. Even then there is no room for my Honourable friend to discuss the subject, because the other officers of the remaining Customs offices are ignored. There is no justification. I am sorry I did not quite catch my Honourable friend at the time. But, Sir, that is not the argument which we want to deal with. There are 27 appraisers, one on Rs. 800 and the rest at varying rates from Rs. 290 to Rs. 725, 281 servants at varying rates from Rs. 8-8-0 to Rs. 35, temporary establishment and 144, boat establishment. Sir, leaving those officers or servants at varying rates from Rs. 8-8-0 to Rs. 35, and leaving the 144 people in the boat establishment, is my Honourable friend, the Government Member, in a position to give us the names of the other people? Sir, if my Honourable friend takes the trouble to walk through the Calcutta Customs office, he would not find very many higher officers getting that salary as my Honourable friend the Mover pointed out from Rs. 200 and upwards. Government have not met that point at all. The Honourable Member in charge is not in a position to enlighten the House as to how many officers are working there. As far as I am concerned, Sir, I know for certain—I do very often walk through the Customs office—I have hardly seen, in fact I never saw one Muhammadan from Bengal. Sir, although the Muhammadans of Bengal form 56 per cent. (or 60 per cent. according to the last census) of the whole population of Bengal; and still my Honourable friend put the number at one-third. Sir, if these poor Indians are to serve only in the lower ranks and not in other places, I fail to see how my Honourable friend is satisfied with regard to the grant that he asks for. After eleven months he comes with his Budget ignorant of particulars of what he is asking for. Will this House have any sympathy for that sort of grant that he wants? I do not know. Probably later on he will stand up and say it is “non-votable” and we are blindly to

[Mr. K. Ahmed.]

accept the proposals made. He says, further, Sir, that if my Honourable friend Mr. Rangachariar had put a starred question, the answer would have been given. No doubt about it. But is he not in a position to ask the department to give him the facts and figures at this stage when he asks for the grant? He says, Sir, a good beginning has been made, without knowing how many officers were recruited since 1921. Without giving the particulars and the figures, which this House expects to know, I do not think there is any justification for saying that a good beginning has been made. I, therefore, most emphatically oppose the grant asked for and support the motion for reduction by Rs. 100.

Mr. N. M. Joshi (Nominated: Labour Interests): I move that the question be now put.

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadan Urban): Sir, I only want to remind the House that the question raised by my Honourable friend Mr. Rangachariar has not yet been answered. Neither the statement made by the Honourable the Commerce Member nor the intervention of my Honourable friend Colonel Gidney, who thought that the pace of Indianisation in the Customs Department was very rapid, has taken away anything from the vagueness of the answer given by the Government. The question that Mr. Rangachariar has definitely raised is this. The Standing Finance Committee made a recommendation and it was when the Committee sanctioned certain grants that came before the Finance Committee, that the Committee made certain recommendations with regard to the conditions on which hereafter further grants of a similar character would be sanctioned. What has the Government done to carry out the recommendations of the Standing Finance Committee? That is the plain question of my Honourable friend Mr. Rangachariar. My Honourable friend Mr. Innes says the recommendation of the Standing Finance Committee has been communicated to the Local Governments, but no further information is available, no figures are available; the Local Governments are probably doing their best. But if the Government of India sent out instructions to the Local Governments is not the Honourable Member in a position to state whether the Local Governments have sent any answers to those instructions or not, namely, whether it is possible for them to carry out the instructions or not, or whether they are going to make efforts to Indianise the services in the Customs Department? After all, to borrow the words of my Honourable friend, Mr. K. Ahmed, we are in absolute darkness, we are taking a leap in the dark, as he always says. We do not know anything about what is happening in the matter of the recommendation that the Standing Finance Committee had made; and that is a pertinent and a definite question raised by my Honourable friend Mr. Rangachariar, and, I think, the Government have not been able to give an answer to that. As for the argument adduced by the Honourable Mr. Innes that if a question had been asked by Mr. Rangachariar, the answer would have been supplied, it has to be remembered that when an important body like the Standing Finance Committee makes a recommendation, it is no longer the duty of the member of the Standing Finance Committee to put a question to the Government, but it becomes the duty of the Government to give practical effect to that recommendation. But, as a matter of fact, if I may remind the Honourable Member, I was myself a member of the Standing Finance Committee which undertook to do all that they possibly could to introduce Indianisation in the services.

It is the duty of the Government themselves to see that every effort is made by them and by all Local Governments concerned to put the recommendation into practice. I feel, therefore, that the answer is not yet given and the House would be justified in carrying the motion.

Mr. R. A. Spence (Bombay: European): I move that the question be now put.

(Several Honourable Members: "The question may now be put.")

Mr. S. C. Shahani (Sind Jagirdars and Zamindars: Landholders): Sir, in connection with the cost of establishments in the Customs Department I have got to point out that the salaries of the Assistant Collectors need to be revised, that the scale which has been fixed for these salaries is a very high one. It is Rs. 350 rising to Rs. 1,500. I have to point to the scale of salaries adopted in the Income Tax Department. Collectors of Income Tax all over India draw Rs. 300 to Rs. 900 only, and so far as I can see very competent people, very competent Indians can be secured for this salary. It goes without saying, according to me this is a field in which retrenchments might very reasonably be effected. I pointed this out last year and I was told by the Honourable Member for Commerce and Industries that the appointments were made by competitive examination and therefore this scale could not be reduced. I think it would be wrong to assume that I ever intended that the present incumbents should come to be affected by this proposal that I am making. I am making this proposal with regard to future entrants, and my submission is, and I trust that due notice will be taken of it, my submission is that the scale of salaries needs to be revised here, and by the revision of this scale a substantial saving will be effected.

The Honourable Mr. C. A. Innes: Sir, I should like to take up the point made by Mr. Shahani, namely, that the scale of salaries in the Imperial Customs Service is too high. The scale of salaries (I am speaking from memory) is Rs. 300 rising to Rs. 1,500, *plus* the usual overseas allowance

Mr. S. C. Shahani: Rs. 350 to Rs. 1,500.

The Honourable Mr. C. A. Innes: That scale is precisely the same scale as that for the Accounts Service. We hold a joint examination. And I do not think it is too high for the Imperial Customs Service because I should like to point out that all our Customs officers live in the most expensive towns of India, the seaports. Every one knows how exceptionally expensive Calcutta, Bombay and other seaports are. On the general question whether, as Indianisation goes on, we should reduce the scales of pay, there is a great deal to be said, but obviously that is a question which has got to be taken up for all the services and not for a single service like the Customs Service. I think every one will agree with that point. I should like to correct a mistake made by Dr. Gour. Dr. Gour said the Public Services Commission had recommended that 50 per cent. of the Customs Service should be recruited in India, and we had taken no action on that. The Public Services Commission was referring entirely to the Imperial Customs Service, and as I have already explained, we have gone beyond its recommendations because 66 per cent. of our recruits are now recruited in India. Then I am accused of not knowing what has been done regarding the Indianisation of the Preventive Service. As a matter of fact, on looking through this file here, I find I have a bit of information which I did not know I had, namely that, when we issued

[Mr. C. A. Innes.]

this circular in August 1921, one of our Collectors of Customs, namely, the Collector of Customs for Karachi, wrote back at once and told us that during the last few months he had already taken action in this direction and that he had appointed six Indians to the Preventive Service. I gave another bit of definite information which I do not think my friend Mr. Jannadas Dwarkadas noticed, namely, that, as a matter of practice, we recruit one-third of the Preventive Service in Calcutta from Indians. Now you have got to remember that ten years ago there were no Indians at all if you exclude Anglo-Indians from that term, in the Preventive Service. It was thought that the Service was not suited to Indians. You have got to remember that it is extremely hard work; the men have to be out at all hours patrolling. In Calcutta they have to go down the river in boats; they have to board ships at all hours of the night, and it was considered that the service was not suitable to the Indians. The Collector of Customs took up the question of Indianisation first and he began recruiting the Indian officer class and he found them quite satisfactory. That is why we had great pleasure in telling the Standing Committee that we would make efforts in this direction. I am sorry, I have not got the actual results of these efforts, but as I have already explained, all our difficulties arise from the fact that these Customs Houses are under the Local Governments. They are under the administrative control of the Local Governments. When we carry out the recommendation of the Incheape Committee, which as a matter of fact was our own idea, the recommendation that we should appoint a Commissioner of Customs, a Controller General of Customs, then the Customs Offices will pass under our direct control and we shall be in a very much better position to answer questions of this kind. As it is a question comes up in a budget debate, and I must confess I forgot all about it, as Dr. Gour has suggested. I forgot all about it and so did my friend Mr. Rangachariar. I did not know what this reduction of Rs. 100 in establishment referred to, and it is very difficult for us to answer questions on particular items in establishments which we have not under our control. I am quite prepared to write round to all Collectors of Customs and to find out from them exactly what has been done in this direction, what proportion of vacancies has been filled up, and if necessary, I will then issue further instructions on the matter.

Rao Bahadur T. Rangachariar : I would ask for a quarterly report.

The Honourable Mr. C. A. Innes: I do not think a quarterly report is necessary. I am prepared to ask them to let me have this information before the budget debate. Vacancies do not occur in these services so very frequently and it may be a waste of time to have quarterly reports. Every year I will instruct Collectors of Customs to let me have a statement so that, in the budget debate, we may be prepared in the future. In view of that Mr. Rangachariar might well withdraw his motion.

Rao Bahadur T. Rangachariar: On that assurance I do not press my motion.

The motion was, by leave of the Assembly, withdrawn.

Sir Deva Prasad Sarvadhikary: I beg to move :

“ That the provision for Travelling and Tentage Allowance under sub-head ‘ Madras ’ be reduced by Rs. 3,600.”

Of course the difficulty that I labour under is also the difficulty of the Government as we found earlier in the debate: we have not enough information upon which one could exactly indicate how that Rs. 3,600 is to be cut out of the sum of Rs. 9,600. This item stands on a footing entirely different from that of establishment either permanent or temporary, or even of over-time allowances. One does realise that in doing work of this kind it would be necessary to give some allowances for travelling and for tentage, but there should be further limitation. What is the position to-day? We have to economise and economise all round. I do not mean to say and Government will not take me to mean that a reduction of this Rs. 3,600 will achieve wonders. On the other hand as an earnest of doing all that can possibly be done in the way of getting rid of avoidable expenditure, this small item would be as serviceable as any large item. Sir, scattered over the whole of these Demands is a large provision for allowances of different kinds, and this is one of them. We cannot interfere with establishment straightaway. I have already drawn the attention of the House to the recommendation of the Incheape Committee on this matter and it has been gone into in the present budget to a certain extent. In the course of the early debate I do not propose to labour that point. The Committee is of opinion, I am sure, the Government are also of opinion that all that can possibly be done to reduce expenditure to which we are not absolutely committed during the course of the year should be done. In connection with charges of this kind the necessity of waiting and exigencies of delay and other considerations of that character cannot be urged. We are met with a peculiar difficulty. Unless we succeed, with the assistance no doubt of Government, in adding out of the "lag" list a crore of rupees to what has been already deducted, we shall be in real difficulty. From that point of view these and various other amendments for which I have made myself responsible will have to be considered. Those of us who have gone into the matter in some detail do believe that another crore of rupees would not be too much for Government to make a present of to us in order that we might meet the situation as we ought to. I don't want, in a small matter like this, to take up much of the time of the House; but it is these small items that can be most easily reduced—items to which we are not absolutely committed, items which can be reduced without any serious detriment to the efficiency of the department. There may be some negligible detriment; retrenchment would mean for the time being, at all events, interference with routine system and probably proportionate inconvenience also. But that is all I should be prepared to admit. But, in regard to a matter like this, and not matters relating to permanent establishment to which we are committed, some assistance may be given to us by the Government.

Mr. N. M. Joshi: Sir, in supporting the motion made by my Honourable friend, Sir Deva Prasad Sarvadhikary, I want to impress upon the Government the necessity of giving their serious consideration to the question of travelling allowances. Sir, not only is the scale of travelling allowances very liberal but it is the common belief that many officers by resorting to unnecessary travelling make certain savings and get an addition to their salary. Sir, as a Member of the Public Accounts Committee, we recently came across a very glaring instance of this kind. An officer of the Archaeological Department

Mr. President: Order, order. We have nothing to do with the Archaeological Department.

Mr. N. M. Joshi: I wanted, Sir, to make out a point that this question of travelling allowances requires the serious consideration of the Government.

Mr. President: The Honourable Member does not seem to be aware that the motion before us is for the reduction of the provision for travelling and tentage allowance in Madras.

Mr. N. M. Joshi: I, therefore, hope that the Government will give their serious consideration to this question.

The Honourable Mr. C. A. Innes: Sir, this particular item of travelling allowance which Sir Deva Prasad Sarvadhikary has suggested for reduction is intended to cover the expense of travelling of the Collector and Assistant Collector when he inspects the out-ports of Madras, and these out-ports are very numerous. However, the Government have already anticipated Sir Deva Prasad in this matter. The Finance Department have made a cut already of 20 per cent. on all travelling allowances in this Budget and I think in other Budgets.

Sir Deva Prasad Sarvadhikary: On these figures?

The Honourable Mr. C. A. Innes: On the figures shown in the Budget estimate of last year. They have all been reduced by 20 per cent.

Sir Deva Prasad Sarvadhikary: On the figures now presented?

The Honourable Mr. C. A. Innes: For last year. What the Government have done is they have reduced the provision made in the Budget of last year by 20 per cent. in the Budget of this year for travelling allowances. They have made a 20 per cent. cut. And, as far as the Customs is concerned, we do not relish that cut very much because it may mean that our Collector in this particular instance will not be able to do as much travelling and as much inspection of the out-ports as ordinarily he would do. But we recognize that in these days of financial stringency it is necessary to sacrifice something, and so that cut has been made. The original provision made by the Commerce Department in our Budget has been cut down by the Finance Department by 20 per cent. and so, as I say, we have anticipated Sir Deva Prasad's objection.

Mr. S. C. Shahani: Sir, I may point out that in the case of Bombay, I find that travelling allowances have been increased from Rs. 9,900 to Rs. 11,440. I also find that in the case of Sind, travelling allowances have increased from Rs. 3,000 to Rs. 3,040. I do not notice these cuts in the case of these two places, and I beg, therefore, to point this out to the Honourable Member for Commerce and Industry.

Mr. President: The question is:

"That the provision for Travelling and Tentage Allowance under sub-head Madras be reduced by Rs. 3,600."

The motion was negatived.

Rao Bahadur T. Rangachariar: Sir, I move:

"That the provision for Overtime and Holiday Allowances under the head Customs be reduced by Rs. 2,00,000."

If Honourable Members will turn to page 8 of the Demands for Grants, they will find that there are three classes of overtime dealt with, what are

called (1) Crown overtime, (2) Merchants' overtime, and (3) Sunday and holiday overtime. Crown overtime entirely comes from the revenues of the country. The revenues of the country suffer to the extent of Rs. 1,29,000. It is not recovered from anyone, it comes out of the general revenues. The point is this. We undertake to the public that we will give them 12 hours' service. But we tell our servants, "You work for 9 hours," so that the extra 3 hours have to be found and therefore we pay for the extra three hours by paying this overtime to our own servants whom we employ. Now, in the first place, if really our establishment is not sufficient to carry on the work which we have to do, I do not see why the establishment should not be increased. Look at it from the point of view of the men in the first place, look at it from the point of view of the Government in the next place, and look at it from the point of view of the public in the third place. It was pointed out on the last occasion by my Honourable friend, Mr. Joshi, that, when a man works 9 hours a day, they expect him to do work which is very difficult work, and to induce him, to offer temptations to make him work more is not humanitarian. Looking at it from the point of view of the Government, this more important point impresses me and that is this. Now, supposing, Sir, we were told that we will get an extra allowance of Rs. 50 per day if we stay after 5 P.M. every day, what will be the inducement to us? We will try to shirk as much work as we can during the working hours, pile up our speeches, delay the business and try to stay every day after 5 P.M. Honourable Members may say "No!" I know how many Honourable Members come here, although they are not expected to come here, they come here 7 days beforehand and stay 7 days afterwards because allowances are paid for these days. Human nature being what it is, we always try to make something out of travelling allowances and that sort of thing. Let us not pretend to be above human and therefore, I say when you really place inducements in the way of that man, you say "you work for 9 hours but if you work extra time, I will give you more," the work done during the 9 hours will not be the full work which we are entitled to get out of him. If you want more establishment, get the establishment. What is the meaning of offering this inducement to this man? The public and the Government are likely to suffer by this system continuing. The other thing is that after the 12 hours' work has to go on, and you raise from the public Rs. 4,49,000. That is from the merchants. That is the second item. Add to it this Rs. 1,29,000. That really comes to nearly Rs. 6 lakhs. You pay your establishment Rs. 25 lakhs. I have made a rough calculation. You pay this establishment Rs. 25 lakhs and you pay them over-time Rs. 6 lakhs. If you add to it this Sunday and Holiday fees, which is Rs. 1,29,000, that comes to about Rs. 7,50,000. That is to say, you have an establishment which can do only three-fourths of the work and you are short of establishment to do one-fourth of the work, and to do that one-fourth work, you pay to the same people who have to work for 9 hours a day, and you make them work not only beyond the 9 hours but you make them work on holidays also. We have been preaching so much about labour, about the Geneva Conventions and other Conventions. We have heard that it is inhuman to extract labour like this for more than 54 hours a week and all that. Here are merchants who are apparently prepared to tolerate this system going on. If the Government are really short handed, let them employ more men. There are so many men seeking for employment. We are going to have retrenchment and so many hands are going to be thrown into the streets. Why go on feathering the same nests? In fact, the officers get it. The preventive establishment gets it. I see, Sir, in the distribution

[Rao Bahadur T. Rangachariar.]

scale, that 10 per cent. is given to the superior officers and 40 per cent. goes to the men actually working. That is so, I find, in Calcutta. Whether the officers do extra work, I do not know, or whether it is really an inducement to the officers, because they get a share in the overtime allowances. They get 10 per cent. whereas the actual workers get 40 per cent. and the other 50 per cent. goes somewhere else to charities and other things. Why should we maintain such a system? These are the questions which were raised during the last two years, and the Honourable Mr. Innes undertook to place the whole matter before the Standing Finance Committee. I find, Sir, that in December last the matter was placed before the Standing Finance Committee and the Standing Finance Committee paid this Assembly the compliment of merely recording that note. Did they consider the difficulties which were raised during the debate? These three points were raised distinctly by my Honourable friend Mr. Kannat to my right, by Mr. Joshi and by Mr. Seshagiri Ayyar. Why should charitable institutions, social clubs, be maintained? Why is there this difference in system between port and port? Why this over-time at all? Why offer this temptation in the way of our men? All these questions were raised, and we are no wiser by the matter being placed before the Standing Finance Committee. If the Standing Finance Committee had recorded their decision on each one of these points which had been raised in the debate here, I should not have troubled this Assembly with this vote. As it is, I do not know what the Standing Finance Committee did. They simply recorded the note a copy of which by the courtesy of the Honourable Mr. Innes I happened to look at this morning. I saw the note which was placed before the Standing Finance Committee. But what did the Standing Finance Committee do with reference to these various questions which arise? Is it right that we should collect from the public and maintain charitable institutions—social institutions? Nearly 50 per cent. of the collections on Sunday fees and Holiday fees goes to that, and the Honourable the Finance Member last time (the Honourable Mr. Hailey) told us that he would look into it carefully. What is the result of his looking into it I do not know. We have no information on that point. Still, we are told in the note made to the Standing Finance Committee that the Local Governments are looking into the question of these fees. I do think, Sir, that the whole matter must be placed once for all on a satisfactory footing. I daresay there must be some allowance for overtime. I do not deny that there will be necessity for some overtime, but not to this extent of nearly $\frac{1}{2}$ of the work which you put down for over-time. It seems to me that there is something remarkable about it. I think the officers in charge really want to get this overtime and over-payment. They get tentage allowance; they get motor car allowance; they get other allowances; leave allowance, salary allowance, and other things, and in addition to these, they get also overtime. I fail to see why we should not employ more men. If we are short-handed, let us employ more people. There are so many people going about the country in search of employment. I can assure you that. Therefore, if there is money—Rs. 8 lakhs—to spare, why should we not spend at least Rs. 6 lakhs in entertaining more establishment? I am not a merchant myself. I am not unloading or loading. But I look at it from this broad point of view, and I hope, Sir, the matter will be satisfactorily settled. With these words I move my motion:

"That the provision for Overtime and Holiday Allowances under the head Customs be reduced by Rs. 2,00,000."

Mr. R. A. Spence: Sir, I am sorry I am anticipating Sir Campbell Rhodes speaking. We generally listen with great pleasure when Mr. Rangachariar does speak. But on this occasion he told us that he was not a merchant. If he had been, Sir, he would not have spoken as he did and it is because he is speaking of what he really does not know that we have not listened to him with pleasure. As Sir Campbell is more competent to deal with this matter and as I see he is willing to speak, I will leave the rest of the matter to him.

Mr. Manmohandas Ramji (Indian Merchants' Chamber and Bureau: Indian Commerce). Sir, in this connection, I may say that the practice generally is that when a ship is to be emptied in a given time, and some holiday or some Sunday intervenes, they have to complete the discharging of the ship or the filling of the ship. It is a matter of great convenience to the authorities and to the merchants to expedite matters in this direction, and therefore it is that overtime in connection with this work is charged and is willingly paid by merchants connected with the transaction to the staff. It is for the extra work, work which cannot be delayed, that this is charged, and I hope this House will not accept this motion.

Sir Campbell Rhodes (Bengal: European): Sir, I have great sympathy with what Mr. Rangachariar has said about overtime in general. There is a temptation, when a merchant pays overtime, for his employees to slack during the day in order to get overtime at night. I think this House may be sure, as Mr. Rangachariar has pointed out, that when an employee has got the temptation of overtime, he can very often slack during the day. But the position is slightly different as regards the Customs House Preventive Officers, for it is not within his power to decide how long he will work. A steamer comes into port and desires quick discharge. Say it is unloading salt. There must be a Preventive Officer on board and the speed with which that officer works is decided entirely by the speed with which the salt is unloaded. The steamer is there to do all the work it can and therefore the Preventive Officer must keep working at the same pace. As a matter of fact, the work is very light. It is work of supervision and seeing that the suit is properly weighed over the side and there is no larkship on a man working even as long as 12 hours. The scale may be stopped for an hour or two during the day for repairs in which case, though he is there, he has nothing to do. But the point I wish to make to the House is this, that it is not within his control to slacken off. Mr. Rangachariar pointed out that if there is overtime regularly paid, then a larger staff might be employed. I may point out that that would be a very extravagant way of meeting the difficulty from the point of view of the country. Steamers do not come in regularly every day to discharge a fixed number of tons every day and therefore it is desirable that these men should do a little extra work when business presses and then the staff so to speak, can be automatically reduced when times are slack. Under Mr. Rangachariar's scheme we should frequently have periods during which half the number of customs officers would have nothing to do and I suggest that the moral effect of that would be even worse. As regards Sunday and holiday fees, these are fines to discourage work on Sundays and holidays and they are paid by the merchants and shippers and they are quite willing to pay anything they can to what Mr. Rangachariar calls charitable objects. In Calcutta a portion of the Sunday fees has gone to hospitals to pay for the seamen who come out and have to go into hospital, and personally I

[Sir Campbell Rhodes.]

think that is a worthy cause to which the money is devoted. On these grounds I oppose this amendment.

Dr. Nand Lal (West Punjab: Non-Muhammadan): I support this amendment. The Government should, before keeping such a sort of establishment, see whether this kind of system is not creating some sort of temptation in the way of the employees of the Government. Government's attention should always be focussed on this question and Government itself should not give any opportunity to any of its employees to be tempted or to stoop low. Now, I ask the Government Benches, under the present system is it not the strongest possible temptation in the way of these servants to idle away their time? (*A Voice*: "No, no. Certainly not.") To my mind they will not employ their minds so much on the work as they will anticipate that they will be drawing extra money for their over-time. I think it cannot be denied. Mr. Spence may say, "No." Other merchants may say, "No," but it is the fact and it ought to be confronted and cannot be denied. These workmen are sure to be tempted as I have stated. The other point which prompts me to be in favour of this amendment is this that if they are made to work on Sundays they will have no time for taking rest at all. During the week days, that is, six days of the week, they will not be able to work so hard as they would be doing otherwise, because it is a fundamental principle which does not require great elaboration and argument that a human being after hard work requires some sort of rest. After having worked for six days it is quite natural that these workmen would like to take rest. Now they are told, "You should not take rest. We shall pay you for Sundays and other holidays even." They will not take rest but they will work on these rest days and pocket the money, and on the working days they will try to idle away their time to a certain extent. Therefore, on these two grounds this system which has been adopted by Government seems to be one which should be condemned. The other point which requires appreciation is why a distinction should be made in favour of this Department alone. This distinction will naturally create an idea in the minds of the employees of the other Departments of the Government that they should also try to avail themselves of such allowances though they have not got work of a similar type, but all the same that very idea will prompt them not to apply themselves to work to that extent to which they would have done if they had not had that idea in their minds. You will kindly see on page 1, we have got overtime and holiday allowance for Madras. On page 2 we have got over-time and holiday allowance for temporary establishment. On page 3 we have got over-time and holiday allowance. On page 4 the same thing and on page 5 the same thing. The aggregate total of this allowance is a very appalling figure which should not be parted with by Government. On this ground also this expenditure should be condemned and especially at this juncture when we are in this financial embarrassment we cannot afford to allow ourselves to spend money in this fashion (*Mr. Jamnadas Dwarkadas*: "It is paid by the merchants.") It is not paid by the merchants, it is paid by the Government, Mr. Jamnadas. Kindly see the remarks . . .

Mr. President: The Honourable Member must address the Chair.

Dr. Nand Lal: Mr. Jamnadas Dwarkadas says it is paid by the merchants. May I invite his attention to the remarks on page 8 of this Book:

"These are fees paid to the staff by Government for overtime work and not recoverable from merchants."

(Mr. Jannadas Dwarkadas: "Am I right or you?") (A Voice: "Address the Chair.") Then the other explanation which is given by the Government is this:

"as the work for which they are earned is performed during the free service hours but is in excess of the prescribed hours, viz., 9 hours a day or 54 hours a week. Such fees are also necessitated by the performance of work outside the free service hours or on holidays and Sundays."

(Mr. R. A. Spence: "May I ask the Honourable Member to read the whole of it?") (Mr. Jannadas Dwarkadas: "Will you finish all the footnotes?") A certain payment is made by the merchants no doubt, but that is set apart. As Mr. Rangachariar has said, I agree with him that a certain amount is charged, but when it is realised it is set apart, namely, it goes to the income side. It is the Government then that pays it subsequently. I am not discussing the source. I am discussing who is the paymaster. The paymaster is the Government and the merchants are not the paymaster. Mr. Jannadas Dwarkadas's opinion, I am sorry, does not appear to be correct technically.

In opposition two arguments have been advanced that on some occasions Government requires employees and workmen and at that time there is a great rush and it will be extremely difficult to keep a permanent staff to cope with such sort of work. The other argument which has been advanced on behalf of Government is this—that if you keep a special staff for this purpose and for these hours only, it will prove very expensive. I think these two arguments can very easily be answered. The first argument can be met with this reply. It has been conceded on behalf of Government that these ships do not come every day and that it happens occasionally. This point has been conceded by Government and other speakers. I am availing myself of their arguments. For this purpose other workmen could be employed to do temporary work, so that the Government employees may not be tempted to idle away their time for which they are paid and this system of making allowances on holidays and making extra payments for overtime is not sound in principle. So on all these grounds I support the amendment heartily.

Mr. Darcy Lindsay (Bengal: European): My Honourable friend Mr. Rangachariar has made a reference to the Standing Finance Committee and he has taken them to task for not doing their duty. The Standing Finance Committee had placed before them a very able memorandum prepared by my namesake Mr. H. A. F. Lindsay in reference to the discussion that took place in this House last March and I am quite sure that if this memorandum had been placed in the hands of all the Members of the Assembly this motion for reduction would never have been made. Government in dealing with the matter abbreviated the memorandum as appears in the footnote on page 8 and which has been referred to only in part by my friend Dr. Nand Lal. It seems to me that there is a misunderstanding on the part of some of the Members about these fees. As Mr. Rangachariar has pointed out, there are three types of fees. One is for the extra three hours the men may be kept at work in addition to the regulation nine hours and they receive an allowance of so much per hour for this overtime. It is very much cheaper to keep the same man employed on the steamer than to send down another man to relieve him. A second charge is the merchant's overtime fees. This money is entirely paid by the merchant, the shipowner or agent who wants to get the steamer away by a particular time. Unfortunately my friend Dr. Nand Lal comes

[Mr. Darcy Lindsay.]

from a part of India where they have only canals and no sea water ways and therefore no experience of tides but the river Hooghly is a tidal river where steamers of heavy draught can only get away at certain tides and it is most essential unless the steamer is to remain for possibly another fortnight, that there should be overtime work at night, on holidays and on Sundays when occasion arises. The men are paid for this special work and the money recovered from the merchants or the owner of the ship. It does not at all follow that the same man who works on a Sunday will be put to work on the Monday which is one of the points made by my Honourable friend Dr. Nand Lal. The Customs authorities have a considerable staff at their disposal who are not working every day—the work being dependant on the number of ships in port and there are always available a certain number for extra work who have to be paid their monthly wage whether or not they are put on to this extra work on Sundays and holidays. Then my Honourable friend Mr. Rangachariar appeared to think that it was at the option of the Preventive Officer to secure the three hours' overtime by possibly neglecting his work during the day. This I think has been very satisfactorily explained by my Honourable friend Sir Campbell Rhodes. I can only tell the House that if this reduction were made it would most seriously interfere with shipping and the general trade of the country. We could not get our ships away in time or load and unload them with expedition. Consequently the expenditure on importing and exporting goods would increase. On these grounds I ask the House to reject this amendment.

(Voices: "The question may be put.")

Mr. President: The question is that the question be put.

The motion was adopted.

Mr. President: The question is:

"That the provision for Overtime and Holiday allowances under the head Customs be reduced by Rs. 2,00,000."

The motion was negatived.

Mr. Harchandrai Vishindas (Sind: Non-Muhaminadan Rural): Sir, I move:

"That the provision for Bombay under the head Customs be reduced by Rs. 100."

The point I wish to make in this Resolution is one which will interest the House and which I beg to submit for the guidance of the Government in the future. From the very nature of the amendment I have proposed it would appear that I do not really want a regular reduction of Rs. 100 but I have to refer to certain questions of principle and of policy for the Government to take into consideration. I shall be very brief in making my suggestion to the Government departments by pointing out what is the particular question that I wish to refer to. Now I am concerned with the province of Sind. Therefore I shall not take up the time of the

House in any way by referring to the other provinces. The ^{1 P.V.} Sind Division appears at page 4 of the Book of Demands and Sind as you are all aware is a part of the Bombay Presidency, so that the main sub-head under which I am speaking begins at page 2, Bombay. What I want to point out is that—and the point was incidentally referred to just now by my friend Mr. Shahani,—and as that was with reference

to remarks upon another point I do not think I am wrong in repeating it as it now comes under a regulation motion. Now, the pay of the Assistant Collectors in Sind appears to be, as at page 4, Rs. 350 rising to Rs. 750. My point is that such a heavy pay is not at all necessary in the case of the Assistant Collectors. By way of analogy I would refer to

Mr. President: The question of the pay of the establishment has already been discussed. If the Honourable Member wished to raise the question he should have raised it on the reduction moved by Mr. Ranga-chariar, when the House discussed the general question underlying the pay of the establishment.

Mr. Harchandrai Vishindas: I submit that I am referring to a specific item. So far as the general question is concerned that has been dealt with. What I say is that although in regard to the pay the Government has to consider several counter-considerations in fixing it, it need not be more than Rs. 350 to Rs. 900.

The Honourable Mr. C. A. Innes: May I point out that this is an Imperial Service and there is a uniform scale of pay in all Ports for Assistant Collectors and therefore Mr. Harchandrai Vishindas's point is not a good one. This particular point, moreover, has been discussed and has been discussed by Mr. Shahani.

Mr. Harchandrai Vishindas: Yes, that is what I said

Mr. President: If the Honourable Member acknowledges that it was discussed by Mr. Shahani and Mr. Shahani was not stopped by the Chair, then he is out of order.

Mr. Harchandrai Vishindas: Very good, Sir. I won't say anything more on this particular point. My other point is that the Assistant Collectors, Appraisers and Preventive Officers have all been lumped together. It would be much more enlightening if they were separately mentioned, I mean to say, if the pay of each grade was separately mentioned. As it is, I am speaking subject to correction,—in the first place the word "Inspector" is rather a misnomer and should be altered to "Examiner"—the number of Appraisers is 13, including one Head Appraiser, and the number of Examiners is 15. The rest are Preventive Officers. The pay of the Head Appraiser is Rs. 700 a month, that of the other Appraisers is Rs. 200 rising by Rs. 25 annually to Rs. 600; and that of Examiners . . .

Mr. President: Order, order. We have had that interesting information already from the Honourable Member from Bengal. Unless the Honourable Member can bring his remarks into order with special reference to the circumstances of Sind, he is not in order.

Mr. Harchandrai Vishindas: I am referring to that, Sir. I also said that my remarks would not be in order unless they were specific, and these remarks are all applicable to Sind, not to the general question, because the scales of pay in other provinces would be different. But if the Chair disallows me I will sit down. But I submit that my remarks apply especially to Sind. Now, the pays in Bombay are different from those in Sind in so far that in Bombay the Head Appraiser gets Rs. 800, every other Appraiser Rs. 250 rising by Rs. 20 to Rs. 450 and then by Rs. 25 to Rs. 675, Examiners Rs. 150—10—350 and Head Examiner Rs. 450.

[Mr. Harchandrai Vishindas.]

"The point I am going to make in this connection is one that has not been previously raised and it is that there is no reason why the Sind establishment should be placed on a different footing from that of the establishment in Bombay when the cost of living and house rent, as appears from various Government reports, is very nearly the same. I refer first to Mr. Findlay Shirrus' *Labour Gazette* and also to Mr. Datta's inquiry regarding rent and prices in Karachi. So my point is, with regard to this particular question, that the level of pay in the two places should be the same. Since January 1922 the lower paid men have in most cases been given an increase of 5 to 10 per cent. and some from 20 to 40 per cent., although the Government of India has authorised the Local Government to give these men a maximum promotion of 50 per cent., which has not yet been carried out. That point should be taken into consideration by Government. Government have recognized the principle of one promotion for every year's service in the case of Preventive Officers in the same office, but the present Appraisers and Examiners, the majority of whom began their life as clerks, will not be able to rise to their maximum unless one-third of their services in the ministerial grade is also counted. The majority of the Preventive Officers began life as Preventive Officers and so one promotion for every year's service has resulted in their getting 18 promotions for 18 years' service, while Examiners and Appraisers with even about 30 years' total service are getting Rs. 150 and Rs. 400 respectively. Sir, this point also of the equitable regulation of promotions, both in the interests of economy and in the interests of the men, should be taken into consideration. That is all I have to say.

The Honourable Mr. C. A. Innes : Sir, I understand that the first point raised by Mr. Harchandrai Vishindas was that he would like a little more detailed information under the head "pay of establishment for Sind." Is that so? (Mr. Harchandrai Vishindas: "Yes.") I will certainly see what we can do in that direction.

The other point raised by Mr. Vishindas was that we discriminate unfairly between the Custom House staff in Karachi and the Custom House staff in Bombay. As I have explained already to the House on more than one occasion, these Custom Houses are under the administrative control of the Government of Bombay. They send up their proposals to us and we examine them. In this case, the Bombay Government did not think it necessary to give the same rate of pay, or the same scales of pay in Karachi as they give in Bombay; and as far as the Government of India is concerned, we must accept the view expressed in a matter like that by a responsible Local Government.

As regards the next point, namely, as to how these men were brought on to the new scale of pay, it is rather a complicated matter and, at the request of the Local Government, we left them to deal with the matter. I think that is the only explanation I can give on that point.

Mr. President: The question is:

"That the provision for Bombay under the head Customs be reduced by Rs. 100."

The motion was negatived.

Sir Deva Prasad Sarvadhikary: Sir, I move:

"That the provision for Leave Allowance under Bombay be reduced by Rs. 22,000."

This is another direction in which we seek for retrenchment. Not only here but elsewhere have we spoken about travelling and tentage allowance as being capable of suitable reduction. Contingencies can also be similarly dealt with. The Incheape Committee has made quite clear what had long been clear to us that our leave rules are—I shall not call them extravagant—but far too generous and some of our avoidable expenditure is due to that. With the Government of India it is not quite like a Bengal household used to be obliged to do not very long ago, *viz.*, to keep up two establishments, one to get ill with malaria and the other to work and wait for an attack of malaria. That is sometimes necessary, but I do not think that with increased facilities for travel for going home and other conveniences the leave rules need be as liberal as they are now—and the Incheape Committee has drawn pointed attention to that. I do not mean to say that people should work themselves to death and should not have any leave, and generous leave also, but the impression all around is . . .

Mr. President: Order, order. Are these leave allowances paid under rules made by the Customs Department or under general rules made by the Government of India?

The Honourable Mr. C. A. Innes: I understand that the allowances are for leave enjoyed in India, which leave is granted under the general rules of the Government of India.

Mr. President: The question of the amendment of the leave rules cannot very well be brought in here. The Honourable Member must take other opportunity of discussing them.

Sir Deva Prasad Sarvadhiary: I shall not discuss the question of principle; I am now on the question of staff, and I submit that things should be so arranged that with lesser staff the work of the Department can go on, so that the leave allowances to which my motion refers may be minimized.

Sir Montagu Webb: Greater staff?

Mr. President: The question is:

“That the provision for leave allowances under Bombay be reduced by Rs. 22,000.”

The Honourable Mr. C. A. Innes: Sir, I feel it rather difficult to deal with a Motion like this, for, obviously, if we are going to reduce leave allowances, it can only be done by altering the rules, by making the rules less liberal. The provision here is the best estimate we can make of the amount we are likely to expend during the year in paying allowances to people on our establishment who are on leave in India. I do not think it is right that, as a method of retrenchment, we should refuse our officers the leave which they have earned and which is due to them under the Fundamental Rules. You have got to remember these allowances for leave are for all our establishments, officers as well as men, when that leave is taken in India: and if the leave is due to them, and if they require it, whether it be for sickness or private reasons, then I think we ought to give it, and I think that our Custom House establishments are already overworked, very greatly overworked: indeed my own opinion is that if Sir Deva Prasad Sarvadhiary's idea is that we should definitely restrict the leave of our establishments during the course of this year on account of financial stringency, well, my own opinion is that that will probably be false economy, it will probably mean that the men will break

[Mr. C. A. Innes.]

down and will have sickness. In these circumstances I hope Sir Deva Prasad Sarvadhikary will see that the question which he has raised is contingent upon the alteration of the rules, and that he will not move this reduction in respect of a particular service like the Customs service.

Mr. W. M. Hussanally: Sir, on a point of order I should like to know from the Honourable the Commerce Member whether a motion for reduction of this kind does not force the Government to reconsider the rules. I believe that this provision of leave allowances is provided for under each head of expenditure in each Department, and if that be so, a motion for the reduction of one grant will compel Government to consider the amendment of the rules—the leave rules, I mean, and if that be so, the Motion will be perfectly in order?

Mr. President: The Honourable Member is putting the cart before the horse.

Mr. R. A. Spence: May I ask the Honourable Commerce Member for some information, Sir? I see that these leave allowances that we are discussing only occur on page 3 under Bombay. May I ask what happens to the leave allowances in the case of Bengal and Madras and Burma? They must be necessary surely, in which case it seems to be only a matter of detail how they are put, but these leave allowances which figure under Bombay do not figure under any of the other Presidencies, and therefore if we were so unfortunate as to have this motion for a cut carried, it seems to me that Bombay would suffer and the rest of the Presidencies would go scot-free.

Mr. A. V. V. Aiyar: Sir, the explanation is that these estimates are prepared by different officers. The Bengal estimates are prepared by the Accountant General, Bengal, the Bombay ones by the Accountant General, Bombay, and the Madras ones by the Accountant General, Madras, and so on. Some people mix up these leave allowances along with the pay of the ordinary establishments, and some people show it separately and say that it represents leave allowances; that is the simple explanation why there is no definite provision in other provinces.

The Honourable Sir Basil Blackett: I think, Sir, it may be to the convenience of the House if, with your permission, I make the statement that the Government of India have for some time had under consideration the desirability of reconsidering the whole of their leave rules and have been waiting for the Report of the Retrenchment Committee to do so, and intend forthwith to institute an inquiry into that subject.

Mr. J. Chaudhuri: May I ask Mr. Aiyar that in future uniformity should be observed in furnishing similar details under each sub-head in each Presidency with regard to the Customs estimates for facility of comparison?

Mr. A. V. V. Aiyar: We will do our best, Sir; but the Budget is prepared in such a hurry that such small matters I would ask the House to overlook.

Sir Deva Prasad Sarvadhikary: Having regard to what the Honourable the Finance Member and the Honourable Member for Commerce have said, I do not wish to press this motion. What has been explained by Mr. Aiyar shows our difficulties in Budget time. The Government, he

says, had to hurry the Budget which accounts for its imperfections—Government had 365 days, and we had 5 days.

The motion for reduction was, by leave of the Assembly, withdrawn.

Sir Deva Prasad Sarvadhikary: In connection with my motion *No. 30, Sir, dealing with commodities of a very succulent and luscious nature one would like to have some explanation. Mr. Kabeer-ud-din Ahmed will probably be satisfied both as to quantity and quality. When we are obliged to neglect important research of other kinds, I do not know whether research in edible oysters ought to find a place in this Budget. I should like to ask for a word of explanation, and then perhaps I shall see my way to withdraw the motion.

Mr. President: So far as I see, no provision has been made.

The Honourable Mr. C. A. Innes: I think that Sir Deva Prasad Sarvadhikary has omitted to notice that though there does appear an entry of expenditure of Rs. 1,675 on account of improvement of edible oyster culture in Sind, there also appears later on the page a deduct entry—"contribution from contractors on account of edible oyster culture in Sind, Rs. 1,675", and so the two entries cancel each other, which I do not think Sir Deva Prasad Sarvadhikary has noticed. What the entry was I am afraid I cannot explain in a moment; I remember I noticed it last year in the Budget, and I enquired why it appeared in the Customs Budget, and for accounts reasons, they apparently retained it in the budget, but as I explained, they have made a deduct entry which cancels the provision.

Sir Deva Prasad Sarvadhikary: Sir, I should like to withdraw my motion.

Mr. R. A. Spence: Before the motion is withdrawn, might I ask Government that some provision be made in the next Budget, Customs or other budget, with a view to doing something to improve the edible oyster culture in Karachi?

Babu Braja Sundar Das (Orissa Division: Non-Muhammadan): Sir, I am feeling extremely diffident to extend my pruning knife to this very important branch of the financial pagoda tree of the Government of India. The Incheape Committee have not dared to do it. There are certain things which seem to me inexplicable. Therefore, Sir, I venture to bring forward this motion! of mine. With an apology of a Customs Department in my own province, I mean Bihar and Orissa, I do not pretend to claim any knowledge in the travelling, halting, worshipping, talking, eating, drinking and other contingent allowances that have been just talked over. But, Sir, there are other things for which I propose this reduction. I know that any cut that I might propose in this Department will hit my province very hard, because, fortunately or unfortunately, my province has no non-votable or untouchable item to its credit. You will find from the figures that 01 per cent. has been reduced in the case of votable items in the other provinces. My province claims a reduction of 25 per cent. as an effect of the retrenchment that has already been made. But the figures which have been presented to us during the last three years tempt me

* "That the provision for Improvement of Edible Oyster Culture in Sind under Sind Division be omitted."

† "That the demand under the head 'Customs' be reduced by Rs. 11,31,564."

[Babu Braja Sundar Das.]

to ask a few questions of the Government Member in charge of this Department. If we look up the non-voted item in 1921, it was Rs. 42,600 in the Budget, and this year in the proposed Budget it is Rs. 5,51,600. The voted item was Rs. 7,67,400 and this year it is Rs. 7,05,400. It will take a good deal of time to read all the figures. In 1921-22 the non-voted item in Madras was 42,600; Bombay Rs. 1,13,700, Bengal Rs. 69,000, Burma Rs. 28,800, Bihar and Orissa nil, Punjab Rs. 23,000. So the total non-voted item in 1921 was Rs. 4,68,900, and in the present Budget, total item under the head non-voted—

	Rs.
The Government of Madras	5,51,600
" Bombay	1,59,000
" Bengal	97,000
" Burma	84,000
" Bihar and Orissa	Nil
" Punjab	23,000
" Central Provinces	Nil
Total	9,14,600

It is clear that the non-voted item has gone up by about 105 per cent while the voted item when compared with the figure of 1921, will be seen, has come down by .01 per cent. as an effect of the retrenchment proposals that we made in the Assembly. Here, Sir, the Retrenchment Committee make no recommendation whatsoever excepting one item, that the Commissioner of Customs in Bombay should be cut down. They say that the strength and pay of the staff at the various Customs Houses should be examined with a view to economy. That is their recommendation. But they have not gone further to examine the question on its merits. We see from the figures that I have already quoted that the expenditure under the head " Customs " is going up very much from year to year and particularly on the non-voted side. But proportionately there has not been a rise in the income. We should like to know how, in what proportion and how long this increase will continue, whether it will ever stop, or whether it will be an ever-growing concern that will swell further from year to year just as the non-voted item has doubled and trebled itself in the course of two or three years. We have been asked during the last three years to meet deficits by paying extra taxations. As an ordinary tax-payer, I should like to demand an explanation. Though I may not touch this non-voted item, it is fair that I should demand an explanation from the Government as to why and how the expenditure under this head is going up out of all proportion and particularly I would ask the Member in charge to say as to why in Madras the non-voted item Rs. 42,600 in 1921 has gone up to Rs. 5,51,600 this year. This is unintelligible to me, Sir, and I think it is unintelligible as well to many of my colleagues. We should at least know why this non-voted item goes up every year. Then, Sir, allow me to give the reason for reduction that I propose. The Honourable the Finance Member appealed to us to make sacrifices by consenting to pay an extra tax. I suggest that instead of paying an extra tax, we would rather try to keep the expenditure up to a certain level that was in vogue in 1921. The reduction that I have proposed, namely, Rs. 11,81,564, is the figure, which if deducted, will give us the actual expenditure for 1921-22. So with these few words, I want to be enlightened by the Government as to the reason and nature of the enhancement of the non-voted item from year to year, where it will stop and in what proportion it grows,

and then I ask Government to cut this item to this extent, so that we can arrive at the figure that we had in 1921-22 and be saved from paying an extra tax.

The Honourable Mr. O. A. Innes: Sir, the first question asked by my Honourable friend related to the increase in non-votable expenditure in Madras. The answer to that question is simple. It will be found on page 2. The Honourable Member will see that since 1921-22 our assignments to Travancore and Cochin have increased from Rs. 2,87,000 to a budget provision of Rs. 5 lakhs. That increase is entirely beyond our control. It is due to the increase in the trade at Cochin port and the consequent increase in the receipts at Cochin port; and by the Inter-port Trade Commission of 1895 a proportion of those customs receipts has to go to the Native States of Cochin and Travancore. Sir, the House will see that this trade increase is entirely beyond our control. As regards the general suggestion that, in view of the financial stringency, we should cut our expenditure on the Customs Department down to a figure which obtained in 1921-22, I can only say that I hope that the House will do no such thing. The Honourable Member complained of our constantly increasing expenditure. Has he looked at the constantly increasing revenue? Does he realise that our revenue under the head Customs since 1921-22 has increased from 34 crores of rupees to an expected revenue of 45 crores in the coming year? This increase of revenue inevitably means a great increase of work of our Customs staff. Merchants tend to criticise appraisements more. It is matter of great importance to them. The Preventive Officers have more smuggling to deal with. Merchants generally are more keen about their rights and there is more correspondence, and where your customs revenue is increasing year after year, as our customs revenue is doing, it inevitably means a considerable increase of staff. After all we are collecting this very large revenue for the Government of India at a cost of 1·7 per cent., and I think the House will agree with me that that is not a very excessive cost. The Inchcape Committee has examined this and no cuts to recommend. It has suggested that we should inquire whether the staff cannot be reduced at the different Customs Houses. Naturally we shall take up that suggestion, but I should not be honest if I were to express any hope that we are likely to be able to reduce that staff. I do not mean to say that we shall begin the inquiry with a prejudice against it, but our experience shows that our customs officers are continually coming up to us pointing out grave breakdowns in their offices owing to increase of work and the inadequacy of staff. We have had more than one breakdown in more than one Customs House entirely owing to the inadequacy of staff. In these circumstances I hope that the House will not accept this reduction.

Mr. S. O. Shahani: Sir, I rise to point out that the figures that are given to us in these demands for grants do not show that our receipts go on increasing from year to year

The Honourable Mr. O. A. Innes: Page 296, Mr. Shahani.

Mr. S. O. Shahani: I see, Sir, that the total revenue in 1921-22 was Rs. 34·40 crores. In the year 1922-23 it was estimated at 45·41 crores, and actually amounted to 42·30 crores, but this is due to the revised schedule. If you will look into the figures for 1923-24 you will find that there has been a slight decrease.

The Honourable Sir Basil Blackett: That is compared with the estimate, not the actual.

Mr. S. C. Shahani: We are dealing now with the estimate. It is not estimated that the receipts will be larger, and yet, if you will look into the expenditure figures, you will find that the expenditure has increased from 70,01,000 to 76,28,000. Deduct from that 69,000 and it comes to Rs. 75,59,000. I find that the expenditure increased by 5,58,000. According to me there is no justification for this increase, especially when we have a deficit of 4½ crores. I would no doubt be inclined to reduce my cut of 8 lakhs to Rs. 5,58,000, but so far as the figure of 5,58,000 goes, I see absolutely no justification for this increase, and I am going to support it by reference to a few figures which have attracted my attention here in Demand No. 1. The Appraisers, Preventive Officers, clerks, etc., were shown at 265, and this number has increased to 269, and I find that quite a new provision has been made in respect to the entertainment of 3 Appraisers, 1 Auditor and 3 clerks in the Presidency of Madras. I find that in Bombay the rewards are estimated to increase from Rs. 36,400 to a lakh. This increase again, according to me, is unjustifiable. Coming to my own Province, I find that the number of Preventive Officers has been increased. I have made inquiries and I find that if we reduce the number by about 5, we would not in any manner suffer so far as our collections go. The Government have provided sergeants, for a very careful scrutiny of the Harbour of Karachi and I understand that thefts are prevented by them, and also smuggling to a great extent. If this is so, the increase in the number of Inspectors and Preventive Officers here is also according to me unjustifiable. I have also to draw attention to one other thing, namely, that officers are being imported from the Revenue Department. I suppose that accounts for the deputation allowances from other departments. This custom of importing officers, to whom deputation allowances have to be given, I think ought to be discontinued. I have also to point out that the maximum pay of the Head Appraiser in Calcutta and in Bombay ought to be reduced, and the maximum pay that is allowed to the Appraisers in all Presidencies should be nearly the same. With these remarks, Sir, I resume my seat.

The Honourable Mr. C. A. Innes: Sir, may I ask if Mr. Shahani moved an amendment? Because the motion before the House is a reduction of 11 lakhs. I understood that Mr. Shahani only wished to reduce the figure to last year's figure.

Mr. S. C. Shahani: I want to reduce it to 5 lakhs.

Mr. President: The question is:

"That the demand under the head Customs be reduced by Rs. 11,31,564."

The motion was negatived.

Mr. Manmohandas Ramji: Sir, I see that this demand under the head 'Customs' was passed in last year's budget for Rs. 60,49,000 in the voted portion. In the revised estimates, we find that it has come to Rs. 61,60,000. There is, therefore, an increase of Rs. 86,000 after allowing for exchange of Rs. 25,000, according to the revised estimates. Now, let us take the total, both votable and non-votable. The total, according to the revised estimates, is Rs. 70,01,000 and the total according to the budget estimate for 1922-23 after allowing for exchange at the revised estimate rate comes to Rs. 67,53,000. There is thus an increase of Rs. 2,48,000. Now, as against this, the demand before the House is

Rs. 66,17,000, which is an increase by Rs. 4,57,000 over the voted portion of the revised estimates for 1922-23, and, if we look at the total, which is Rs. 75,59,000, we find that the increase over the total of the revised estimate is Rs. 5,58,000, and that this total expenditure of Rs. 75,59,000 is Rs. 8,09,000 more than what we had originally budgeted for in March last year after allowing for exchange at the rate according to the revised estimate.

With regard, Sir, to a point raised by my friend here, the Honourable Mr. Shahani, that there is a proposal to increase the sum under Rewards. My view on this subject is that that system ought to be abolished and no rewards ought to be paid. That in itself works very hard and therefore it is a system which ought to be deprecated. Let us look at the Revenue, page 296. We find that there is not much difference between the Budget estimates for 1922-23 and 1923-24.

Mr. President: Order, order. I cannot allow this question to be referred to successively on every amendment that is moved. If Honourable Members desired to take part in the debate, they should have discussed it on the motion of Babu Braja Sundar Das.

Mr. Manmohandas Ramji. With these remarks, Sir, I move my amendment:

“That the demand under the head Customs be reduced by Rs. 4,00,000.”

The Honourable Mr. C. A. Innes: Sir, the increase in the budget for 1923-24 over the budget for 1922-23 is due to various miscellaneous items. There is an increase of Rs. 4,36,000 under the pay of establishments. Now, partly that is because we have had to make provision for Rs. 30,000 for 3 more Assistant Collectors. The reason why we have had to do that is that, so far, in the Imperial Customs Service, we have had no leave reserve at all. We have merely been allowed 3 probationers. The Public Services Commission recommended a proper leave reserve but for various reasons we postponed creating a leave reserve until we were absolutely compelled to do so. The House will see that a probationer makes a very bad form of leave reserve as, when a man is on probation he is not fitted to take charge of a branch of a Custom House. That has been passed, as all the new items of expenditure—I wish to emphasise that—have been passed by the Standing Finance Committee. Then there has been a certain augmentation of the preventive and ministerial staff in the various Custom Houses. They have been explained in the foot-notes to the demand. Let me take one. We have had to augment the preventive staff in the land customs in Madras, the reason being that we found that very large quantities of gold thread and matches were being smuggled across the land frontier from Pondicherry into Madras. The matter got so bad that people who imported in the ordinary course gold thread found that it no longer paid them to do it. Consequently, we have now increased the staff. Then again, we have made provision in the budget for one lakh for allowances for leave salaries in India. Last year this was not shown.

The next point that has been taken is about Rewards. Mr. Manmohandas Ramji complains that the reward system is a bad system. That may be so or it may not be so, but, especially when you have your customs rates as high as they are now, you do find dishonest merchants trying to evade the customs and you do find in practice that the practice of giving

[Mr. C. A. Innes.]

rewards does give an incentive to your Preventive Officers properly to discharge their duties. Some very bad cases of smuggling of feathers out of India against prohibition have recently been detected. Fines have been imposed amounting to over a lakh of rupees and there are many other cases of ordinary traffic. Under the Sea Customs Act, we are entitled to and we do give a proportion of these fines as rewards to the men.

I do not think I need go through all the items one by one. I need only say that each separate case of new expenditure has been placed before the Standing Finance Committee and has been passed by it. In addition to that, owing to the incremental system of pay which obtains in our Custom Houses, there must be some increase in the budget and as I said before, we are collecting a very large revenue out of a very small rise. I hope the House will not make this reduction.

Mr. N. M. Samarth (Bombay: Nominated Non-Official): Before we vote on this amendment, may I be permitted to ask what is really meant by the figures on page 3 of this revised schedule of demands supplied to us? On that page is given the statement comparing the budget estimates of civil expenditure for 1923-24 as now revised with the budget for 1922-23 and the reductions recommended therein by the Retrenchment Committee. Now, the second and third columns of that statement show that in regard to customs the budget figure for 1922-23 which the Retrenchment Committee took was Rs. 72,74,000 and the reduction recommended by the Retrenchment Committee therein was Rs. 47,000. Therefore, the recommendation of the Retrenchment Committee is that the figure of expenditure on Customs for the year 1923-24—if I am wrong I hope to be corrected—shall be Rs. 72,27,000. Now, take the budget figure for 1923-24 as given in the estimates presented on 1st March, namely, 77,19,000. Therein a further reduction on distribution of lump deduction is made of Rs. 69,000. And, thereafter, in the sixth column you get the figure as revised, namely, Rs. 76,50,000. Now, in the seventh column there is a figure—3,76, which is supposed to be the reduction made in the revised budget for 1923-24. Now, really it means that it is an addition to the figure for 1922-23 assumed by the Retrenchment Committee. I take it that the Retrenchment Committee—if there is any meaning in these figures—took the figures for the Budget of 1922-23 under Customs expenditure as Rs. 72,74,000. You then put in the Retrenchment Committee's reduction; only Rs. 47,000 out of this shall be deducted. Therefore they recommended that the budget expenditure for 1923-24 was to be reduced by Rs. 3,76,000. Instead of which, the real budget expenditure is Rs. 76,50,000 with the result that the expenditure is Rs. 4,23,000 over the figure recommended by the Retrenchment Committee. Am I right or am I not?

Mr. A. F. L. Brayne (Finance Department: Nominated Official): Sir, I may say that the Retrenchment Committee, when working on the figures for 1922-23, did not take into account various new expenditure which may have been given sanction to during the year. They merely worked on the estimate and unless they became aware that some new items had been given sanction to and new expenditure incurred they were not in a position to take these into account in estimating a reduction. For example, on the last page of their report they say that it is necessary to make provision for increments of incumbents of posts on time-scales; they had not got such estimates before them and they only worked on

the figures shown in the budget, but they left it to be understood that had other items been sanctioned or new expenses incurred for such matters as increments of salaries, those should be taken into account. Their intention was not as the Honourable Member supposes.

Rao Bahadur T. Rangachariar: But they were given a provisional budget also for 1923-24. I see there they refer to provisional budget figures being given to them for 1923-24.

The Honourable Sir Basil Blackett: In certain cases only, but not by any means in each case.

Mr. T. V. Seshagiri Ayyar: Why was it not done?

The Honourable Sir Basil Blackett: They were not ready.

Mr. N. M. Samarth: My point is this. Is it or is it not a fact that you have exceeded the recommendations of the Retrenchment Committee? And how many lakhs have you exceeded it by?

The Honourable Sir Basil Blackett: Had the Honourable Member been present at the beginning of the Session he would have heard my explanation of it. We are speaking at the moment of the Customs head alone. If it is the Customs head alone that the Honourable Member is speaking of, then it is perfectly true that as compared with the total budget figure of 72.74 last year, the budget figure for this year is 76½, and the difference, reduction or increase which is shown in the last column, is in this case shown by a minus, that is to say, it is an increase over the figure as it appeared on the figures that were in the Inchcape Committee Report. But as has already been explained by Mr. Brayne, the Inchcape Committee had not and could not have before them the exact budget figures for 1923-24; we were working *pari passu* with them all through the last three months, but the budget figures which have gone into our estimates were only ready a week or fortnight at the most before the date on which I had to present the budget. The difference of 376 lakhs in this case is an increase as compared with the figures as they left the Retrenchment Committee. But as has already been explained by Mr. Innes, nothing was included for the increments; nothing was included for the additional inspectors whose appointment was sanctioned by the Finance Committee and has been proved to be necessary, and the Inchcape Committee very carefully guarded themselves against saying that the budget figure of 1922-23, *plus* or *minus* their recommendation for retrenchment or increase was to be the budget figure for 1923-24; they did not say that and they did not mean it. In this case the increase of 3 lakhs has been fully explained by Mr. Innes as being necessitated by special increases required in order to collect revenue. If the Honourable Member will kindly look down this sheet, he will see there is a *minus* quantity in this case and under Taxes on Income and under Opium; and broadly speaking in all the other cases where there is a *minus* figure it will be at once explained; but in the other cases there is a very big reduction, and as compared with the total figures 14,769.53 that left the Retrenchment Committee—who have recommended a reduction of 9 crores, we have been able to effect a reduction of just over 7 crores, that is to say, a little less than 2 crores less than the figures that they gave.

Mr. W. M. Hussanally: Sir, there is one point that I should like to be a little further explained, and that is, that all the items of new expenditure sanctioned by the Standing Finance Committee were subject to the

[Mr. W. M. Hussanally.]

approval of the Retrenchment Committee and the question that now arises is whether all these items of new expenditure were submitted to the Retrenchment Committee and whether they were approved of by them. If these items of new expenditure were not subjected to the scrutiny of the Retrenchment Committee, then I say there is no reason why these new items of expenditure should be included in the budget. That proviso was specially made by the Standing Finance Committee, in all items of new expenditure sanctioned by them, and if these new items of expenditure have not been approved by the Retrenchment Committee, I think they ought to be taken off.

Mr. R. A. Spence: Sir, is not the greater part of this excess of 3.76 lakhs accounted for by this excess payment to Travancore and Cochin States—a non-votable item? (*Cries of 'No.'*) If Honourable Members will look at the figures they would not perhaps say 'No.' They will see that the figures for payment of compensation to Travancore and Cochin States have gone up by Rs. 2,70,000, and that has been explained by the Honourable Commerce Member as being payment made over to Travancore and Cochin States for services rendered and therefore under contract and therefore the budget has not gone up over the Inchcape figures. I take it that is how it has gone up, anyhow by Rs. 2,70,000.

Mr. Jamnadas Dwarkadas: Sir, such increase in the expenditure raises what I consider a very important issue for this Assembly to decide. Here you have a recommendation made by the Retrenchment Committee, that Rs. 47,000 be reduced out of the budget estimate of 1922-23, which means that the Retrenchment Committee thought that the budget estimate of 1922-23 was too much, was in excess by Rs. 47,000 over the required figure. Well, instead of a reduction now we find that the Government proposes to increase the expenditure by about Rs. 4 lakhs. The issue now before the Assembly is this: the Retrenchment Committee having proposed a reduction, would the Government be justified at this stage in this year in bringing proposals for increased expenditure? If we allow that in this case, it would only mean that next year we shall have all kinds of new proposals made by Government under all items, saying that the Retrenchment Committee could not go into the circumstances that arose in the year 1923 and therefore the proposed increase is due to the fact that the Retrenchment Committee was not able to consider those circumstances. Here the Retrenchment Committee has made its report and as my Honourable friend Mr. Hussanally pointed out the Standing Finance Committee whose authority has been quoted made it a special condition that the grant was subject to the approval of the Retrenchment Committee. (*Mr. N. M. Samarth:* "All their recommendations.") If we give in on this question, we shall not only be going, as I take it, against the wishes of the Retrenchment Committee for reduction, but we shall be involving the House further in sanctioning certain proposals for increased expenditure which in the interests of retrenchment we are not called upon to do. I therefore support my Honourable friend Mr. Manmohandas Ramji's motion.

The Honourable Mr. O. A. Innes: Sir, I should just like to clear up certain misapprehensions which have arisen owing to the intervention of my friend, Mr. Samarth. It has been suggested that the Inchcape Committee expressly passed the Customs budget for 72-74 lakhs subject to a reduction of Rs. 47,000 on account of the pay of the Commissioner in.

Bombay. Now, let me take the first point about the pay of the Commissioner in Bombay. That recommendation of the Incheape Committee for reduction of that amount is contingent upon the appointment of a Controller General of Customs. If we appoint a Controller General of Customs we shall be able to oust the local Governments from the administration of customs and then we should be able to save that amount of Rs. 47,000 under the pay of the Commissioner. Well, we have still got to create the post of the Controller-General and until we do so we must have somebody in Bombay to hear appeals against decisions of collectors in customs cases. Therefore that proposal to reduce Rs. 47,000 cannot for the moment be given effect to.

Now, the next point I wish to make is this. The Incheape Committee asked us for our budget figures for 1922-23; we sent them and they worked upon those figures; but I deny altogether that their report is meant to be interpreted as passing our budget for this year on the figure of last year. Now, what have we done? The new items entered in our budget for 1923-24 are shown in big black ink in this budget; they amount to Rs. 39,000 only.

The only other increases which appear in the Budget are on account of proposals sanctioned in our last Budget or by the Standing Finance Committee between the last Budget and the September meeting, and they were sanctioned by the Assembly during the demand for Supplementary Grants. There are no new proposals—this is the point I wish to make—there are no new proposals in this Budget other than those shown in big print in the Budget. One is the pay of the three Assistant Collectors. Now it is perfectly true, as Mr. Hussanally has said, the Standing Finance Committee passed that proposal regarding the provision of Rs. 30,000 for three Assistant Collectors subject to reconsideration in the light of the Retrenchment Committee's recommendations. The Standing Finance Committee did not suggest that that proposal should be placed before the Incheape Committee; nor could the Incheape Committee have dealt with individual items of this kind. The only reservation the Standing Finance Committee made was that that proposal might require reconsideration in the light of the Incheape Committee's Report. Now you have got the Incheape Committee's Report here. Is there any charge against the Customs Department of extravagance? Is there any charge against us that we made greater provision than is necessary? Not at all. Absolutely nothing of the sort. And I have already given an independent explanation and justification for that extra demand of Rs. 30,000. We cannot go on as we are doing now with a leave reserve on a service of 25 officers of only three probationers. The usual leave reserve in any Government Department is 30 per cent. We have now got in the Customs Department a leave reserve of only 15 per cent. or so with the result that when our officers go on leave we cannot man the Department properly.

The other item is the entertainment of 3 Appraisers, 1 Auditor and 3 Clerks in Madras. That is due to the new system adopted in regard to the assessment to custom duty of registered letters and parcels coming from England. Formerly the English Post Office used to prepare a way-bill. That way-bill came out a week before the letters and parcels. The valuations were worked out on that way-bill and the whole thing was done in Bombay. Now the British Post Office have refused to go on with that system unless we pay £5,000, and we have had to adopt another system. Part of the system is the decentralisation to Madras of their own assessing work. That has necessitated the small increase of establishment.

[Mr. C. A. Innes.]

. The only other item is the revision of the pay of the Chemical Examiner's Laboratory Assistants in Bengal. That is simply because with the existing sanctioned pay we cannot keep the Laboratory Assistants: they are tempted away to other posts.

Now what I have tried to make out is this. It is not right that the House should think that the Inchcape Committee passed the Budget for the following year. All they did was they examined our Budget for the current year and they said they had no recommendations to make. We now put up a Budget before you which shows certain new items—they are printed in black letters—and it shows the effect of certain new proposals already sanctioned by the Assembly—sanctioned, that is, by the Standing Finance Committee, for which Supplementary grants have been given by the Assembly in September. That being so, I hope the House will not accept this recommendation to reduce the Budget by 4 lakhs of rupees.

Mr. T. E. Moir (Madras: Nominated Official): Sir, my only justification for intervening is that for part of the period, at any rate, to which this additional expenditure relates I served as Chairman of the Standing Finance Committee. Unfortunately I have not with me a copy of the document to which the Honourable Member for Commerce and Industry referred which declared our intentions as regards the items of expenditure which we had passed in their relation to the recommendations of the Retrenchment Committee. There has been a certain looseness of phraseology regarding our intentions. As far as I remember, and as far as I am able to gather from the proceedings of the Standing Finance Committee, we never used the phrase "subject to the approval of the Retrenchment Committee". Our expression throughout was "subject to the recommendation of" or some such phrase; and I think the other Honourable Members of that Committee will bear me out when I say that our intention was that the mere fact that we passed a particular item of expenditure was no justification for the Government undertaking that expenditure if, in doing so, they ran counter to the recommendations of the Retrenchment Committee. (*An Honourable Member*: "Quite so.") I am unable myself to say whether in any item in connection with the expenditure on Customs the Government have contravened that intention and understanding; but I am perfectly ready to accept the assurance of the Honourable Member for Commerce and Industry that in no case has that understanding been contravened. I hope that these few remarks will clear up the point about our recommendations so far as the Standing Finance Committee is concerned.

If I might add one more word; if I am in order, may I say that the attitude in which the Standing Finance Committee regarded all recommendations in respect of increase of expenditure in revenue producing departments was that they examined every recommendation most closely and in every case they satisfied themselves before giving their assent to such expenditure being included in the Budget that it was essential in the interests of revenue. That was a commonsense standpoint to take and it was with reference to that consideration that they scrutinised every item throughout.

Mr. N. M. Joshi (and other Honourable Members): I move that the question be now put.

Mr. President: The question is that the question be put.

The motion was adopted.

Mr. President: The original question was:

"That a sum not exceeding Rs. 66,17,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Customs'."

Since which an amendment has been moved:

"That the Demand under the head 'Customs' be reduced by Rs. 4 lakhs."

The question I have to put is that that reduction be made.

The Assembly divided:

AYES—52.

Abdul Majid, Sheikh.
Abdulla, Mr. S. M.
Agarwala, Lala Girdharilal.
Ahmed, Mr. K.
Asjad-ul-lah, Maulvi Miran.
Ayyangar, Mr. M. G. M.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Barua, Mr. D. C.
Basu, Mr. J. N.
Bhanja Deo, Raja R. N.
Bhargava, Pandit J. L.
Bishambhar Nath. Mr.
Chaudhuri, Mr. J.
Dalal, Sardar B. A.
Das, Babu B. S.
Faiyaz Khan, Mr. M.
Ginwala, Mr. P. P.
Girdhardas, Mr. N.
Gour, Dr. H. S.
Gulab Singh, Sardar.
Hussanally, Mr. W. M.
Iwar Saran, Munshi.
Jaminadas Dwarkadas, Mr.
Jatkar, Mr. B. H. R.
Joshi, Mr. N. M.

Kamat, Mr. B. S.
Lakshmi Narayan Lal, Mr.
Latthe, Mr. A. B.
Mahadeo Prasad, Munshi.
Mudaliar, Mr. S.
Mukherjee, Mr. T. P.
Nag, Mr. G. C.
Nand Lal, Dr.
Neogy, Mr. K. C.
Pyari Lal, Mr.
Ramayya Pantulu, Mr. J.
Ramji, Mr. Manmohandas.
Rangachariar, Mr. T.
Reddi, Mr. M. K.
Samarth, Mr. N. M.
Sarfraz Hussain Khan, Mr.
Sarvadhikary, Sir Deva Prasad.
Shahani, Mr. S. C.
Singh, Babu B. P.
Sinha, Babu Ambica Prasad.
Sinha, Babu L. P.
Sinha, Beohar Raghubir.
Srinivasa Rao, Mr. P. V.
Ujagar Singh, Baba Bedi.
Venkatapatiraju, Mr. B.
Vishindas, Mr. H.

NOES—51.

Abdul Quadir, Maulvi.
Abdul Rahim Khan, Mr.
Abdul Rahman, Munshi.
Abul Kasem, Maulvi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Aiyar, Mr. A. V. V.
Aiyer, Sir P. S. Sivaswamy.
Akram Hussain, Prince A. M. M.
Allen, Mr. B. C.
Amjad Ali, Maulvi.
Blackett, Sir Basil.
Bradley-Birt, Mr. F. B.
Brayne, Mr. A. F. L.
Bridge, Mr. G.
Burdon, Mr. E.
Cabell, Mr. W. H. L.
Chatterjee, Mr. A. C.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Faridoonji, Mr. R.
Gajjan Singh Sardar Bahadur.
Gidney, Lieut.-Col. H. A. J.
Haigh, Mr. P. B.
Hailey, the Honourable Sir Malcolm.

Hindley, Mr. C. D. M.
Holme, Mr. H. E.
Hullah, Mr. J.
Ikramullah Khan, Raja Mohd.
Lanes, the Honourable Mr. C. A.
Jamall, Mr. A. O.
Ley, Mr. A. H.
Lindsay, Mr. Darcy.
Mitter, Mr. K. N.
Muir, Mr. T. E.
Muhammad Hussain, Mr. T.
Muhammad Ismail, Mr. S.
Mukherjee, Mr. J. N.
Nayar, Mr. K. M.
Percival, Mr. P. E.
Rhodes, Sir Campbell.
Sams, Mr. H. A.
Schamnad, Mr. Mahmood.
Shahab-ud-Din, Chaudhri.
Singh, Mr. S. N.
Sircar, Mr. N. C.
Spence, Mr. R. A.
Stanyon, Col. Sir Henry.
Townsend, Mr. C. A. H.
Webb, Sir Montagu.
Willson, Mr. W. S. J.

The motion was adopted.

The Honourable Sir Basil Blackett: Sir, I should like to make it perfectly clear that a reduction of this sort in expenditure could not be taken into account so as to reduce our budget deficit, because it is one which I cannot possibly regard as in any way reducing the deficit as it stands at present. If I was really expected to make that reduction, I should have to take at least a crore from my estimate for revenue. From the point of view, therefore, of the deficit, the whole still remains to be covered, and I myself cannot regard that as a real cut and therefore it does not affect the amount of the deficit remaining to be covered.

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 62,17,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Customs'."

The motion was adopted.

The Assembly then adjourned for Lunch till Twenty Minutes Past Three of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes Past Three of the Clock. Mr. President was in the Chair.

TAXES ON INCOME.

The Honourable Sir Basil Blackett: Sir, I beg to move:

"That a sum not exceeding Rs. 58,93,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Taxes on Income'."

Rao Bahadur T. Rangachariar: Sir, I beg to move:

"That the provision for Re-organisation of Income-tax Officers under the head 'Taxes on Income' be reduced by Rs. 2,00,000."

Honourable Members will notice from page 3 of the memorandum circulated to us that the Retrenchment Committee did not propose any reduction over the Budget figure of 1922-23 under the head 'Taxes on Income.' It stood at 47.01 lakhs. As Honourable Members will notice from column 6 the demand is now 63.79 lakhs. There is an increase therefore of over 16 lakhs over what the Retrenchment Committee said they would not reduce. In fact, all this extra expenditure is due to the re-organisation of the Department in the various provinces. I do not deny that there is necessity for re-organisation. But I do deny that there is necessity for so much pace in the re-organisation scheme. We can get on with the existing arrangements in several places. It is only in important places, in cities where you have got large income-tax amounts to deal with, that these re-organisations may be necessary and be given effect to. But in other places the old arrangement may last. Therefore, while I recognise the necessity for re-organisation, I think we may safely reduce the expenditure by Rs. 2 lakhs. If Honourable Members will turn to page 10 onwards they will notice that in Madras a provision for re-organisation of the Income-tax staff of Rs. 58,000 is provided. On page 11, in the Bombay Presidency, the re-organisation costs about Rs. 3,50,000, and similarly also, in Burma there is a provision of Rs. 1,25,000 on page 18. There are

several other provisions which are scattered here and there. I will not go in for the whole of the re-organisation scheme, but I do think that here there is room for reduction. Honourable Members will also remember that in the year 1921-22 our expenditure was only 23.05 lakhs and what we voted for last year was only 45.31 lakhs as against a proposed demand of Rs. 47.55 lakhs. What they now want is nearly 40 lakhs over the 1921-22 figures and nearly about 17 lakhs over the demand for last year and nearly 18 lakhs over what we granted last year. I propose only a reduction of Rs. 2 lakhs. I therefore commend this modest proposal for the acceptance of the Government and of the House.

Mr. A. V. V. Aiyar: Sir, the Honourable Mr. Rangachariar has in making this motion conceded that it is desirable to proceed with the scheme of re-organisation. That point will no doubt be referred to again by other Honourable Members, and as they may not concede the point so readily, I will make a few remarks about the desirability of going on with this scheme as rapidly as possible. In dealing with this demand in the last two years the Honourable Sir Malcolm Hailey has stated to the House the reasons for going on with the scheme. He claimed that improvement in the Income-tax administration results in just assessments and that it brings into assessment a very large number of people who have hitherto escaped assessment. I will just cite one instance where the improvement in machinery has brought in an increased revenue. There are 20 districts in Bihar and Orissa where we shall ultimately have to employ a special staff for income-tax collection. In 6 districts a special whole-time staff was entertained in the year 1921-22 and in 5 districts a special staff has been entertained only from the beginning of January 1923, while in the remaining 9 districts no special staff has yet been entertained. In those 6 districts the number of assesseees increased from 3,484 in 1921-22 to 3,831 in 1922-23 and the tax increased from Rs. 19,82,000 to Rs. 33,70,000, while in the 9 districts in which no special staff has yet been entertained the number of assesseees increased only from 2,509 to 2,527 and the tax from Rs. 6,58,000 to Rs. 7,92,000. I think, Sir, these figures show conclusively the desirability of proceeding apace with this re-organisation. Sir, we have provided in the Budget for the extent to which we hope to be able to effect re-organisation. But I quite concede that it may not be possible to give effect to our re-organisation to that extent and that there may be some savings. I will show to the House that those savings are required for a definite purpose. As the House is aware, Income-tax was a divided head of revenue before the reforms. The Local Governments then collected the tax for us. They took half the tax under the division of revenue then in force and paid in full for the establishment. Since the reforms income-tax has become a Central subject. We have not got our staff throughout all the provinces and we have to leave the collection to the provinces. They can now only act as our agents and they expect payment for the services which they rendered to us. This question of payment was raised first immediately after the reforms and it has since been in continual discussion with the Local Governments. We discussed the matter on the last occasion at the Conference which was held in Simla in May last with the representatives of the different provinces. It was then decided that the Government of India should work out some formula for determining the remuneration to be paid to the Local Governments and refer it for the opinion of the Local Governments concerned. The matter is still under consideration and we have not come to any final conclusion with the provinces but we have put to them certain definite proposals. We have our

[Mr. A. V. V. Aiyar.]

own Central Government's income-tax staff in the bigger cities and the task of collection is left to the provinces mainly in the case of the rural areas. We find from an examination of the cost of collection in the rural areas where we have got our own staff that the cost of establishment in the rural areas is roughly ten per cent. of the revenue collected. We have made a suggestion to the Local Governments that they should accept from us for the services they render to us payment on that basis. The figures from one of the Local Governments which I have before me show that while we consider this offer very liberal the Local Governments are not of that opinion. As a matter of fact, they are asking for a very much higher percentage of the revenue collected. It follows, Sir, from what I have said that we have a definite payment to make to the Local Governments for the collection of revenue in areas where we have not got our own staff. We have made a certain amount of provision for the expansion of the Central Government's staff in the provinces. If we are not able to carry out that scheme to the extent to which we anticipate, it only follows that we should pay to the Local Governments a larger sum in respect of the areas where we expected to introduce the Central Government's staff but where we have not been able to do it. We have made a provision of Rs. 9 lakhs in the budget for next year on account of payments to the Local Governments, but if we are unable to introduce the Central Government's staff to a larger extent than now anticipated, the result will be that we will have to increase the payments to the Local Governments to a corresponding extent or to be more correct, to a larger extent, as the rate at which they require payment from us is larger than 10 per cent. (A Voice: "How much are they asking?") I have not got detailed figures for all the provinces but I will give them for one province if you like. I have got figures for the Madras Presidency. The total cost of the whole scheme sanctioned for the Madras Presidency, that is, the scheme for the introduction of the Central Government's staff throughout the Presidency amounts to Rs. 8 lakhs, while the cost of the staff at present entertained amounts to Rs. 6 lakhs. The Government of Madras have asked the Government of India for a payment of Rs. 6 lakhs on account of work done by their officers, that is to say, for a payment of Rs. 4 lakhs in excess of the expenditure which will devolve on the Central Government if the scheme for re-organisation is introduced throughout that province. That shows the difficulties in coming to a settlement with the Local Governments. My point is that in the first place it is desirable to introduce this re-organisation and to employ the Central Government's own staff as rapidly as possible in the provinces and in the second place, that to the extent to which we are unable to do so we have only to make an increased payment to the Local Governments. I hope I have satisfied the House that there is no room for any reduction in this total demand because while we admit that there will be some saving in the provision for re-organisation, the amounts are required for a definite purpose. But if the House decides to make a reduction, we will expect the House to indicate how they would make that reduction, and how they would wish us to meet the demands from the Local Governments.

Mr. J. Ramayya Pantulu (Godavari *cum* Kistna: Non-Muhammadian Rural): I am glad that my Honourable friend Mr. Rangachariar takes the view he has taken to-day of the special establishment for collecting income-tax. If I remember aright, during the discussion on the Income-tax Bill he hailed the prospect of the income-tax work being, after all,

taken away from those great sinners, the revenue officials. But I now see he is himself afraid that the pace at which this separate establishment is being increased is rather too fast. It seems to me, Sir, that a separate establishment for income-tax work is likely to lead to one of two evil results and I want Government to take steps to avoid those consequences. One is that the establishment may become bloated and eat up a good portion of the revenue it produces. On the other hand, it may try to justify its existence by increasing the revenue by over-assessments. Both these alternatives are very bad and I hope Government will take steps to see that neither of these consequences happens. In this connection I wish to suggest to Government the advisability of re-introducing in the Income-tax Act a provision for the composition of income-tax which existed in the old Act. A provision like that will, to some extent, reduce the work of the Department and may result in some saving under the establishment charges.

Dr. Nand Lal: Speaking for myself, I am of opinion that the old system was less expensive and was more convenient for the assessee. I find from a survey of the past years that the expenditure so far as the Income-tax Department goes, has been increasing, and this year's budget demand is decidedly very heavy. You will be surprised to see the increase which we have been witnessing on the expenditure side so far as the collection of income-tax goes. In 1911-12 the whole expenditure was Rs. 4 lakhs only. In 1912-13 it rose to Rs. 8 lakhs. In 1920-21 it again rose to Rs. 11 lakhs. In 1921-22 it rose to Rs. 28 lakhs and for the current year the demand was for Rs. 44,80,000 and for the coming year it is much more. If we take an account of the collection the result of our analysis is very discouraging. It has not been proved by making a reference to the various provinces that on the whole this new organisation has helped us in collecting more irrespective of the increase in rates. The result is otherwise. Take the case of Bengal. The Honourable the Finance Member I think will have to concede this point that the collection in that province has been much less than it was expected. Take the case of the Punjab. Of course, so far as the Madras Presidency is concerned, there has been some increase, but one province is not sufficient to be taken as a criterion. Therefore, so far as the revenue side is concerned, we have not profited very much. There are other phases of it, the convenience and comfort of the assessee. There has been a number of complaints that this department is not properly managed. Assessee are summoned to produce their books and registers on a specific day, without knowing how many registers and accounts will be examined and irrespective of the convenience and comfort of respectable assessee. What is the result? By the end of the day four or five registers have been examined. The other assessee shall have to go back after they have been detained for more than five hours or six hours in some cases. It gives rise to a great amount of discontent. Though the intention of the Government is good that this department may be separated from the old system which was being run by each Local Government separately, experience shows that it has not added to the convenience of the public. Perhaps it may be urged on behalf of Government that your own argument establishes that the Government wants more employees, more examiners to see the registers. In reply to that I may submit that the staff which has been given to the collectors or assessors is more than sufficient. In any case it is more in strength than it used to be under the old system. Now there are Assistant Commissioners and a number

[Dr. Nand Lal.]

of collectors. A collector is put in charge of one district and then sometimes two collectors are deputed in some big towns, as for instance, Lahore has got two collectors. Then there are so many inspectors. So the strength of the establishment is greater than it used to be. There is a third phase of it. It is extremely difficult to see who is responsible for this inconvenience and discomfort. I have been told by very responsible men one of whom put a question in the Punjab Legislative Council complaining against the management of the income-tax department. The reply which was given to that gentleman was that this is a Central subject. I myself put some questions and I was told that the question should be put in the Provincial Council. So the assesses do not know where to go and lodge a complaint and get their grievances redressed. I submit that there is a great amount of dissatisfaction and discontent on account of the duplication of this management. So therefore the suggestion which has been offered by my learned friend Mr. Rangachariar, I do not think, will meet the need. Therefore I feel forced to say that the old system should be resorted to. The reorganisation will not prove paying to us, nor will it ameliorate the conditions to which a good many assesses have been subjected. With these few remarks I support the reduction and resume my seat.

Dr. H. S. Gour: Income-tax is a direct tax, and all direct taxes are odious, but when we deal with this income-tax it becomes doubly odious by reason of the fact that a regular Star Chamber inquisition has been ordered since the reorganisation of this department. Accounts books are ransacked, pages after pages turned over and when the accounts are properly kept and produced before the income-tax inspectors they are only inspected to be rejected and an arbitrary assessment made upon the assesses. I entirely endorse the remarks made by the last speaker that the assessment of the income-tax in this country has been a fruitful source of widespread discontent, and I think this House certainly would not be justified in lending its assistance to the reinforcement of a department which has certainly not justified itself during its short career. (*Mr. R. A. Spence:* "No.") I shall very briefly point out to the Honourable Member who cries 'No.' He has probably no sufficient experience of the assessment. I shall briefly point out to the House that the incidence of charges on the realisation of income-tax has been steadily growing. In my budget speech I gave the figures to the House. It was originally 1 per cent. and has now gone up to 3.5 per cent. What is the justification for this great rise? The occupants of the Treasury Benches have not justified this great rise. Only a few minutes ago the Honourable Member for Commerce and Industry justified the Customs Department by saying that the incidence of charges of collection was in the neighbourhood of $1\frac{1}{4}$ per cent. If that be the standard of collection, I submit the income-tax collection charges which come to 3.5 per cent. are excessive and there comes a time when I think the assesses must protest against the kind of inquiries made, the delay occasioned and the general dissatisfaction caused by the mode and manner in which the income-tax is assessed in this country. My friend Mr. Aiyar says that the income-tax administration has to be strengthened because we shall get more money from the people. Surely, Sir, that is not the sole purpose of strengthening the income-tax administration. The object of increasing or revising income-tax administration is to make an equitable assessment

and the question therefore is whether the reorganisation of the income-tax department has been conducive to the more equitable assessment of this tax. On that point Honourable Members on this side of the House join issue with the occupants of the Treasury Benches. We say that a very large increase which has been made in the administrative departments of income tax during the last two or three years, and which is proposed to be made during the ensuing Budget year, is not justifiable and has not been justified in the past. Reference has been made by my friend to certain rural areas. I do not know what income-tax is collected from the inhabitants of the rural areas, and how we shall stand if we were to centralise the collection in the rural areas rather than leave its collection to the Provincial Governments. Those are the facts upon which my friend Mr. Aiyar has been studiously silent, and unless we were given the figures as to what we stand to gain by having a central organisation for the collection of income-tax from these rural areas, we would not be justified in voting away the people's money for the purpose of paying the income-tax collectors and inspectors. Then, Sir, it has been said by my friend that in Bihar and Orissa where they were formerly collecting 19 lakhs of rupees they are now in a position to collect 33 lakhs of rupees. But I ask, at what cost? My friends here will be soon translated to the Olympian heights of Simla, but we have to go down to our constituencies. We mix with the people; we ask them what their difficulties are and we are told that ever since we have taken office this tax has been increased year by year; the inquisition has become more and more oppressive to the taxpayer; the account-books which the people keep never satisfy the inspectors, and even the accounts of the very best accountants are rejected by the inspectors only to make assessments at a fancy figure. This, I submit, is the grievance of the people against which this House must rally to the support of the Mover of this amendment. I support it.

Captain E. V. Sassoon (Bombay Millowners Association: Indian Commerce): Sir, I think this House quite realizes that when you increase direct taxation like the income tax you are liable to make the desire to evade it stronger. Those of us here, I mean all the Members of this House, no doubt disclose our true incomes and pay our proper dues to the Government. Therefore it is to our advantage that others who may not so honestly put forward their complete incomes should be brought to book. (Hear, hear.) I therefore think that we are all agreed that we want to give all the help that is necessary to Government to get the right amount of income from this direct taxation. But I must join issue with the Government when it comes to the question of the charges of the cost of collection against the amount that is received. Mr. Aiyar mentioned that 10 per cent. was offered to the Provincial Governments. I made an interjection and asked how much the Provincial Governments had offered to do the work for. It may be due to my lack of intelligence but all I understood was that instead of an outlay of 8 lakhs by the Central Government the Madras Government offered to do something for 6 lakhs. That, as I have said, may be due to my lack of intelligence; but I was expecting to get percentages. I was . . .

Mr. A. V. V. Aiyar: What I said was that the Madras Government wanted 12 lakhs for a work which the Central Government could have done for 8 lakhs.

Captain E. V. Sassoon: Well, I cannot compare horses with donkeys. Mr. Aiyar told us that we offered them 10 per cent. I would like to have

[Captain E. V. Sassoon.]

something to compare that with. Perhaps Mr. Aiyar or some other occupant of the Treasury Bench will give the information. What I am interested in knowing is this. I see that something like 17 lakhs of extra expenditure is required by the Government for extra collection. Are we going to receive this 1,70 lakhs revenue through this expenditure of 17 lakhs, or what are we to expect to get therefrom? That seems to me to be the real point at issue. If the Treasury Bench can prove that we are going to get a really justifiable return for this expenditure, I for one will support it. But if we are simply going to spend this money without getting a proper return for it, then I am not at all certain that I will not support Mr. Rangachariar, not because I oppose the reorganization of the Revenue Department, but because the subject has not been put before this House in a clear and definite manner which would enable us to understand it. Therefore I do hope, Sir, that we will get some definite, lucid statement from the Treasury Bench showing us what we may expect to get in return for the 17 lakhs we are asked to spend on this Revenue Department.

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): Sir, the Honourable Mr. Rangachariar in making his motion clearly stated that he acknowledged that there was a need for the reorganization of the Income-tax Department, but he brought the issue within the narrow limit of whether the cost this House was asked to sanction was absolutely necessary for that reorganization. It has been said by the Honourable Mr. Aiyar that by spending this larger amount we can get more money and do get more money, and some figures were quoted. But may I ask whether, because a larger amount of income-tax was collected in a particular year, it was due to the rise in the income of the people in that year or due to the additional taxation I mean in the rate of income-tax or entirely to the ability and energy of the income-tax officers themselves? I will not, Sir, go into the question of the hardships which are felt by the assesseses. Dr. Gour has dealt with it. But I want to know, Sir, why it is that in maintaining a staff of income-tax officers we pay such generous salaries and emoluments? I have no experience of any other province, but in Bengal I know that when these income-tax officers were being appointed advertisements were published in the papers calling for applications; and for about 62 appointments something like 15,000 applications came in. From my personal knowledge I can say that the men recruited from the Provincial Service were given a much higher pay than they received in their service. Am I to understand, Sir, that the work of the Provincial Service, I mean Deputy Collectors, etc., who have to deal with both judicial and executive work, is less arduous or requires less of what has been termed character, integrity and education than the work of income-tax officer? If not, why is it that an income-tax officer is paid at a higher rate than a Deputy Collector or a judicial officer like a Munsiff? If we can get Munsiffs and Deputy Collectors on a particular scale of pay, how is it that we cannot get the same class of officers as Income-tax Officers? Therefore I think, Sir, that the Income-tax Department is not only too generous in the matter of salaries, but in many cases extravagant. For instance, Sir, in the city of Calcutta the Collector of Calcutta was the Collector of Income-tax, Excise and Land Revenue. Now that officer has been relieved of his work of income-tax collecting which has been placed under an official designated a Commissioner of Income-tax, and he is, I believe, paid a very good salary. —I do not know the figure, but a very good salary. But may

I ask, could not that very officer be secured for a much smaller salary than he is now receiving? If he was working as the Collector of a District or as a District Judge he would get much less pay than he is getting as Commissioner of Income-tax. I could understand if it was necessary to get a very senior member of the service that he would have to get his grade pay—a high pay. But if you can do the work with a junior member of the Indian Civil Service why not pay him at the rate he would get in the ordinary cadre? As regards the statement made by Mr. Aiyer that the efficiency of the staff is to be judged by the amount of money collected, I would agree with him if these assessments made by them were subject to any judicial investigation or to a non-official board which examined his assessment and examined the case of the assessee as well. But the facts are that the Income-tax officers assesses an assessee, and if the assessment is not agreed to an appeal is made to his immediate superior who also is an Income-tax official and there the matter stands. So naturally, there is not much credit due to the staff for collecting the larger amount of income-tax. I think that the expenditure in this Department is not only on a generous scale but has been spent extravagantly. I therefore support the motion of my friend Mr. Rangachariar.

Mr. R. A. Spence: Sir, I wonder in my heart whether I approve or disapprove of a motion to cut the Income-tax Department. I wonder whether it is going to do my pocket any good. Personally I am afraid it is not, because my money is collected in an easy way. As Dr. Gour stated, we want equitable assessments, and in order to get equitable assessments, it is necessary that we should have assessments, collecting from everybody who is due to pay income-tax, and it is because of the difficulty of doing that that we have to have this heavy expenditure on income-tax. We have had a very interesting electioneering speech from Dr. Gour in this matter. He seems to assume that it is as easy to collect income-tax as it is to collect the customs duty, and therefore he thinks that the charges necessary for collecting income-tax should be in the same proportion as the charges necessary for collecting the customs. Well, if he would make the collection of income-tax as easy as the collection of customs duties, I would join with him in pressing for a reduction of this demand. Dr. Gour says that by passing this we are voting away the people's money. Well, Sir, I think that if we do not spend money on this Department, we are also voting away the people's money, and in this case we are voting away the people's money that would be coming in to the State. There were some interesting figures given by Captain Sassoon. I think he seems to forget the maxim that when business is bad, it is occasionally necessary to spend a little more money in order to increase one's business or to prevent one's business going away. Well, anyhow the more you spend, the more apparently you get, but if you are going to look at figures from that point of view and merely calculate on the amount of money you spend, and not take other things into consideration, it is not right. Just look at the case of Bombay. Poor Bombay spends more money on income-tax than any other part of India, but she does give Government something for it. (Mr. N. M. Samarth: "The whole of it practically.") She spends Rs. 14,79,000 on this head, and she gets in Rs. 6 crores 80 lakhs, whereas Bengal, true, only spends half the amount Bombay does, but she is two crores of rupees down. I do not think that Captain Sassoon's argument holds good. The reason that we are not getting the same amount of income-tax that we got last year or the year before is palpable to him, I should say, as it is to me and various other people. We are

[Mr. R. A. Spence.]

not making the same amount of money that we made before. Well, I think unless we spend this amount of money in the Budget, we shall not get in as much income-tax as we were doing. My Honourable friend, Maulvi Abul Kasem, referred to the generous salaries paid to the people in the Income-Tax Department. Well, I do not want to cast a slur on anybody either to cast a slur on the Collector of Income-Tax or upon the Deputy Collector on the revenue side. But surely, Sir, it is commonsense that when you have people who have to go round and make these inquisitions, as I think Dr. Gour called them,—anyhow very unpleasant inquiries, into people's incomes and extract true figures out of them, then surely, going by human nature, it is wise to pay these people well, and to put out of their minds any idea of temptation. If you pay them badly, they will collect badly. We heard a great deal said against the police in the beginning of this Assembly and really I believe a good bit of it was due to the fact that the police were badly paid; and I think you will hear far less against the Income-Tax Department, and the Income-Tax Department will do its work with less hardships to the people of India if you pay the Income Tax Department well. The Department is going to collect a lot of money for us, and we deserve to have a good Department in order that this tax may fall equitably upon everyone; and that it will not fall merely on the person who has his mercantile books in the city, it will not merely fall on the party who has one set of books for himself, one set of books for his partner and one set of books for the income-tax collector, but that it may fall equally on all people. Sir, I oppose this reduction.

Mr. S. C. Shahani: Sir, the Honourable Captain Sassoon told us that we would be prepared to incur the additional expenditure that has been suggested, namely, 17 lakhs, if we were told exactly how much would be collected by this new reorganization scheme. I submit that we have been told in distinct terms that our revenue for 1923-24 may be estimated at 19.04 crores; that is to say, that our revenue in 1923-24 is as compared to that in 1922-23 to increase by something less than 2 per cent. Now I say 17 lakhs more on the expenditure side mean an increase of about 40 per cent. in our expenditure. I shall give the figures. The actual revenue for 1919-20 is 22.43 crores, for 1920-21 20.91 crores and for 1921-22 18.74. For 1922-23 the estimates were 22.11 crores, and actual collections, 18.69; and the estimated figures, as I have already mentioned, for the year 1923-24 are 19.04 crores. If we look at our expenditure, we find that in the year 1919-20 our expenditure amounted to 15.29 lakhs, in 1920-21, 22.15, and in 1921-22, 22.50. In 1922-23 the estimated expenditure was 47 crores, and our actual expenditure, 45.88; and the estimated expenditure for 1923-24 is 63.79 crores, that is to say, 40 per cent more than our expenditure in 1922-23. If we consider our receipts and expenditure, we find that we expect to realize about 35 lakhs more, and we want to spend on the collection of this 35 lakhs, 17 lakhs more. (*The Honourable Sir Basil Blackett:* "No.") I say, yes. Now this state of things is I think unjustifiable, and a much larger cut than has been proposed by the Honourable Mr. Rangachariar should be deemed necessary in the circumstances. It has been said by my Honourable friend, Maulvi Abul Kasem, that the salaries of the income-tax collectors are high. My study of the figures does not however justify such a statement. I think that the salary of the income-tax collector has been properly fixed: it has been fixed at Rs. 300—900, which is the scale of salaries fixed for Deputy Collectors. The trade depression

has of course been considerable, which accounts for our revenue for 1922 falling below our revenue for 1919, but still the difference in the cost of collection now and the cost of collection sometime ago is very great, and on that account I feel that a much larger cut would be justified. But we ought to remember I suppose the remark that was made by the Honourable the Finance Member that if we went in for large cuts, the Government would give effect to them. Of course such a statement is objectionable on several grounds since the fiscal policy is in the keeping of this House. Still to be practical, I would support the motion that has been made by the Honourable Mr. Rangachariar, and I would commend it strongly to the support of the House.

Rao Bahadur C. S. Subrahmanayam (Madras ceded districts and Chittoor Non-Muhammadian Rural): Sir, in this matter of the reduction proposed by my friend, Mr. Rangachariar, of two lakhs, I am afraid, so far as his argument went, there was nothing said definitely about the manner in which these two lakhs could be cut down. Well, I think, last year speaking on the budget grant, we were in a position of inability to suggest definite grounds for cutting down the demands, and we, therefore, said that we would make certain lump sum reduction and would leave Government to settle their accounts as best as they could. But, this year, we have something to go upon. Now, for instance, the Retrenchment Committee's recommendation in this matter may be referred to. I do not propose to read the whole of it, I will read only one sentence, which is the final sentence in their recommendation:

"Having regard to the importance of maintaining a revenue, we do not recommend any reduction in the estimates in this department for 1923-24 as compared with current year's estimates."

The current year's estimates are 47 lakhs. Does that mean that the Retrenchment Committee said that the Budget for 1923-24 should not exceed 47 lakhs? That is the question and . . .

Mr. President: I am afraid that is not the question. The question is whether we shall reduce the provision for the reorganization of income-tax officers by an amount of Rs. 2 lakhs.

Rao Bahadur C. S. Subrahmanayam: That is the basis of my argument. Did they suggest any reduction in last year's figures? Now, they say that reorganization must be made. The grounds on which the reorganisation is suggested are the refusal of the provincial Governments to do the work of the Central Government and claiming a remuneration for the work so done. Now, that matter is at the root of this higher demand. If the provincial Governments are willing to do it at a cost cheaper than the proposed establishment run by the Central Government, it would be a different matter. Are they willing to do it at a cheaper rate? Now, we are told that their rates are not cheaper. In fact, they want a larger sum for the work they do. That is another fact on which we can come to a conclusion. If the provincial Governments refuse to do the work of the Central Government for the same sum which will cost us to do it, and if they want a larger sum, then is it or is it not the economical way of doing it if we do it by the staff of the Central Government? That is one consideration which ought to be taken into account in deciding this matter. Now, in the case of the province of Bihar and Orissa, the same trouble has arisen and additional staff has been provided. That subject was placed before the Standing Finance Committee and as that Government would not do the work for the Central Government and they had

[Rao Bahadur C. S. Subrahmanayam.]

to be provided with a separate staff the Standing Finance Committee agreed to that demand. Therefore, it seems to me, Sir, that before rejecting this proposal of my Honourable friend Mr. Rangachariar or approving of it, on general grounds the question ought to be considered from a business point of view. Do we want the staff or not? In the general argument about the oppressive character of the investigations which the income-tax staff makes there is a considerable amount of truth and it is inevitable that any staff put on that sort of work, assessment and collection of taxes, must cause a considerable amount of irritation. But on that ground I do not think that this demand should be cut down. The remedy should be sought elsewhere, in some other reduction, not in a lump sum reduction of a demand that is made. It is no doubt true that owing to the manner in which in different provinces Indian merchants, who do not adopt the English methods of book-keeping, maintain their accounts, there is always a certain amount of difficulty, a considerable amount of disagreement between the assessing officers and the assesseees. Now, what is the remedy? The only remedy is their going round to adopt the methods insisted upon by the income tax department and the income-tax officers also understanding their methods and treating them with a certain amount of consideration. That, again, is not a matter on which you could base an argument for reducing this demand. Looking at it from whatever point of view, it is purely a business matter, a matter which concerns the collection of revenue, and in that, unless from a practical and administrative point of view a definite sum is pointed out as being unnecessary in this demand, I do not think this Assembly could reasonably throw out the demand. In regard to the rural areas, it is no doubt true that there are men, wealthy men, not living in large towns, who could afford to pay income-tax, and probably under a new system they have been escaping the payment of any tax. Why should anyone have any sympathy for a man who has escaped paying the tax or who evades paying the tax when every honest man has to pay. Assuming the fact that a man has really evaded the tax, I will not spend my sympathy towards that man, because while every honest man is paying the tax, he keeps the money to himself. Unless you say that the man is assessed on income which he does not get, and therefore it is unjust, unless you can make out cases of large numbers of unjust assessments, there is no use putting forward that argument. There is no doubt that some people who ought to pay do escape when your staff is not sufficiently able, sufficiently efficient and sufficiently numerous. In regard to the pay which my Honourable friend Maulvi Abul Kasem referred to, I understand the rule to be that if a man who is doing work as a Deputy Collector and Magistrate is taken on to do any of these special branches of work he is paid a sum of Rs. 100 extra, because he is taken away from work to which he is accustomed, there is extra trouble and he loses certain amenities which he possesses as a Deputy Collector and Deputy Magistrate. Therefore, if he is taken to some special departments, such as income-tax, settlement or co-operative work, I understand in some provinces the rule is that he is paid an extra sum that is fixed at Rs. 100. I do not think that any slight increase or even that Rs. 100 is a matter to be complained of, because we have to remember that the deciding officer or the superior officers of income-tax must be paid decently, otherwise there will be considerable danger. I need not dilate the dangerous consequences of under-paying officers entrusted with the work of

assessing incomes. Therefore, Sir, the only ground on which my Honourable friend Mr. Rangachariar could suggest reduction is if it is possible for the department to say with an increase of nearly 15 lakhs which they propose to be able to cut down 2 lakhs. If they could say that there is some direction in which we could take away the 2 lakhs,—I hope they would exercise their minds and state if it is possible,—then only I think we could support Mr. Rangachariar.

Mr. P. B. Haigh (Bombay: Nominated Official): Sir, I should like, if I may, very briefly to answer some of the questions put by my Honourable friend who is no longer sitting behind me. He stated that he would be prepared to vote against the proposed reduction if he were quite satisfied that re-organization would really pay. Well, Sir, it was my fortune to serve for some time as Assistant Collector in the City of Bombay just about the time when the reorganisation of the Income-Tax Department was being undertaken, and I acted as Collector of Income-Tax there during temporary vacancies on two occasions, and later on I was Collector of Bombay, and for the time being, under the old arrangements, Commissioner of Income-Tax. So, Sir, I have had some small personal experience in this matter. About the year 1907 a vacancy occurred in the office of Collector of Income-Tax, Bombay, and the Government of Bombay appointed as Collector an officer who now occupies the position of Commissioner of Income-Tax, whose name is well known I have no doubt to the Finance Department of the Government of India. (*An Honourable Member*: "Mr. Hartley.") Before that officer had been in Bombay as Collector of Income-Tax for more than a year, he set himself steadily to press upon the Government the necessity of thoroughly reorganising the Department so far as the City of Bombay was concerned. The result of his efforts and of the reorganisation which the Government largely on his recommendation undertook was that, in the space of a very few years, the income-tax collections in the City of Bombay were doubled. Later on, on his advice also, the system of special income-tax officers was extended to some of the larger cities in the Bombay Presidency. The results everywhere were the same, the collections increased considerably and finally he was asked to suggest a scheme for extension of the system to the mofussil and now in the Bombay Presidency there are a number of special income-tax examiners and other officers for assisting in the collection of income-tax in the rural districts of Bombay. Everywhere the scheme has been successful. So my friend Captain Sassoon, if he will take the trouble to pay a visit to the Office of the Commissioner of Income-Tax in Bombay, will be able to satisfy himself that there is not the slightest fear that the Government of India will lose—on the contrary they will gain enormously by a thorough reorganisation of this Department.

With regard to the point made by Dr. Gour about what he calls the inquisition in the rural parts of the country. I have no doubt that many official Members of this House have had experience of the duties of Income-Tax Collectors or Commissioners in the rural districts. Under the old system when the assessment was made by an unskilled staff, by the ordinary revenue staff of *mamlatdars* or their subordinates we had the greatest difficulty in arriving at the proper estimate of an assessee's income, but now with the assistance of trained inspectors, we are really able to find out actually what a man's books reveal and what the state of his income is, and the assessee is also benefited because he has to deal with a man who is trained on definite principles, who can point out to him in what

[Mr. P. B. Haigh.]

respects his accounts are wrong, in what respects his accounts fail to reveal his proper income. Under the old system, the assessee was apt to be met with a vague statement that the examining officer cannot believe your accounts are right and your income must be so and so. Under the present system the assessee has to deal with a trained man who has to work on a system, and the superior officer, the Collector or the Commissioner of Income-tax, when he is hearing the petition has an opportunity of examining the assessee's accounts systematically with the assistance of a man who can point out in what respects the accounts are wrong. It is a far more satisfactory system when it comes to the actual petition than the old haphazard way. The honest assessee has nothing to fear from a trained staff. Of course there is no doubt that many more people are now assessed than before because of the more searching investigation that is made, and that can never be popular. But as the Honourable Member has pointed out, we cannot have sympathy with people who ought to pay income-tax and don't, and you cannot condemn a department as inquisitorial because it finds that certain people have not paid income-tax hitherto who ought to have done so. I am quite satisfied, Sir, that if the reorganisation now proposed is carried out in the other Provinces, especially in the big cities, on the same lines on which it has been carried out in the City of Bombay, an immense increase of revenue will accrue to the Government of India, and both assesseees and the Government of India will be benefited.

The Honourable Sir Basil Blackett: Sir, the position in regard to this estimate is the same as in regard to the estimate for Customs with which we dealt this morning in that no new provision is made in this estimate except such as had the approval of the Standing Finance Committee. Further all the new provisions, in fact the whole provision that is included in this estimate is included for the purpose of raising money. It is impossible, of course, to give exact figures, but for every 10-rupee cut made in the estimate as it now stands, it is the view of the Government that it would have to pay 12 rupees instead of 10 rupees to the Provincial Governments, and would in addition lose an amount of revenue at which we can only make a shot, but which may be put at, say, 30 rupees. The comparison with previous years is startling. It startled me when I first saw it. It was:

	Rs.
Actual expenditure for 1921-22	23 lakhs.
Revised estimate for 1922-23	44 "
Estimate for 1922-24	12 "

Those were startling figures when one noticed that there had been an increase of, I think, only 36 or 37 lakhs in our estimate of receipts from income-tax this year. I naturally inquired into this change. The real fact is that the expenditure for the last two years at any rate does not represent the actual expenditure as we have not settled with the Provinces. The Provinces have asked and have been promised some suggestion from the Government as to how the expenditure which they have incurred in collecting income-tax should be recouped to them, and as has been already explained, they have been offered, and some of them are dissatisfied with an offer of 10 per cent. of what they collect. It does not mean that the cost of collection is 10 per cent., but if the tax is collected in rural areas there is some justification for a higher percentage than in city areas. But the real increase is not the increase seen from

44 lakhs to 62 lakhs. That 44 lakhs takes no account or only takes a very small account of a sum estimated at about 15 lakhs which has to be paid to the provinces in order to fulfil the promise which the Government of India made to them to pay them a share in the cost of collection.* If you add 15 to 44 you get 59 or say 60 lakhs as compared with our 62. The increase this year is therefore 2 lakhs, which possibly is the reason why Mr. Rangachariar hit on that figure to suggest a reduction. The Government would be most happy to accept a reduction if they thought that it would not have a serious effect on the other side of their ledger. The Government are always in this difficulty, of course, when the House comes forward with proposals for reduction and this year they are in a special difficulty because the Government themselves have spent the last two months in making reductions as hard as they can go everywhere and in their opinion the figures that are in these estimates represent,—I was going to say their honest, but I am not quite sure they are honest—their hopeful view of the figures to which they will be able to reduce their expenditure this year. That being so, it is very difficult for the Government to say that they think possibly a cut could be made here because, if they were not budgeting their hardest, they would probably say that they think a small increase ought to be made in order that they may be safe. However, the position there is—I will repeat the figures that I gave—that for every ten-rupee cut which might be made, we should have to pay twelve rupees to the provinces, so it would not be a cut, and we should lose at least Rs. 30 of revenue.

There is one other point to which I should like to refer and that is the complaints that have been made as regards the hard dealing of the income-tax authorities with the assessee. Well, of course there are points of view from which we have no particular sympathy with an assessee who is under-assessed and a man who ought to be an assessee and is not. Everyone of us is paying more income-tax than he should, if the other fellow was paying properly. It might conceivably be true that, if no one were evading the taxes this year, the budget deficit might be very much smaller than it is, if it existed at all. The man who evades taxes while his fellow is paying is not merely getting off with less than his share but is increasing the share of the other fellow in the burden of taxation. That is one side of the picture. At the same time, the last thing that an income-tax authority ought to do is to incur any just accusation of unfairness or of being too sharp or in any way taking advantage of the tax-payer. One of the important reasons for paying your staff well is that you may get the right class of staff that does not do that sort of thing. But, further, the Board of Revenue and the Finance Department are most anxious that, if you have got to have income-tax, there should be as little injustice as possible about the income-tax, and, though we do not invite all and sundry to send us in complaints about the way in which the income-tax collector has treated them, we are prepared to receive from Members of this House any cases where they think there has been a real reason to suspect that there has been undue hardship on the part of the revenue officer and we should be only too glad to find that after all the assessee has not got much to complain of or, if he has, to see that injustice is not done.

Sir Deva Prasad Sarvadhikary: Sir, Mr. Aiyar has asked and Mr. Subrahmanayam has repeated the suggestion that, if the House is really to carry this proposal of Mr. Rangachariar, some indication should be given as to how the two lakhs was to be met. I recognise reason in

[Sir Deva Prasad Sarvadhikary.]

that and, wherever the Assembly can do it, it should. Not that it is its duty to do so. Sir, scattered all over the income-tax budget and other budgets we have considered amounts budgeted for honoraria—a thing that I do not understand in this concern—allowances, contingencies, and travelling allowances. They are necessary, undoubtedly, and no department can go on without some budget provision under those heads. I would not like to press and do not propose to press the other proposals standing in my name in view of the larger proposal before the House. I have taken up certain items of the kind that I have indicated and making all the allowance that I thought should be made for tolerable efficiency—possibly not ideal efficiency—I make out that about Rs. 3,22,000 could be saved in this department and corresponding sums in other departments which would be helpful. I have tabled various proposals for doing away with the proposed increased expenditure for revision of staff. I will be giving this up. I am afraid introduction of questions of the necessity of revision of staff and of hardships of assesseees has to a certain extent clouded the real issue. It is not necessary to raise those issues for the purpose of getting a reduction of two lakhs of rupees on the whole. Out of the budget allotments under the heads that I have indicated it is possible to reduce Rs. 3,22,000 and I am prepared to give the figures to the Honourable the Finance Member and Mr. Aiyar if they would like to go into the matter. Halving it again or nearly halving it, you do get two lakhs of rupees, and that is after all not a very large deduction to ask in this year of stringency.

Well, I am glad, Sir, the Honourable the Finance Member has told us before the voting on this item which is much nicer and more to the purpose than after the voting would have been, as on a previous occasion,—he has told us that the financial result will be a loss of revenue. Is it seriously urged that, if a small portion of the travelling allowances, the contingencies, and honoraria, and allowances amounting to two lakhs of rupees, is cut out, without touching the establishment in any way, without even interfering with the proposed revision of staff? Is it seriously to be urged that that will affect the revenue to the extent of Rs. 30 for every Rs. 10, in other words, that we shall lose six crores over a reduction of two lakhs?

Mr. President: The reason why the Honourable the Finance Member did not refer to that is that it would have been out of order if he had. The Honourable Member is not in order in referring to it. This is an amendment to reduce the provision for re-organisation of income-tax officers.

The Honourable Sir Basil Blackett: Sir, I should like just to say that the Government would be quite willing to cut out all the honoraria in the estimate. It would have no effect on the total.

Mr. B. S. Kamat (Bombay Central Division: Non-Muhammadan Rural): Sir, it seems to me that a great deal of time has been spent to-day in speaking about generalities without coming to the specific issue which we ought to discuss. It stands to reason that, as a general proposition, if we strengthen our staff, so far as the income-tax department is concerned, we shall have better revenue. I don't quarrel with that. We need not dispute it. So also it may be perfectly correct, as Mr. Aiyar pointed out, that a 10 per cent. basis for payment to the provinces for collecting income-tax would be rather expensive, for the simple reason

that our total expenditure for income-tax now is 58 lakhs of rupees, whereas if we pay to all the provinces on the 10 per cent. basis, as our total income-tax is 19 crores, 10 per cent. of 19 crores comes to 190 lakhs. Instead of 58 lakhs we shall have to pay 190 lakhs. So even that proposition I accept without demur. But the real specific issue before the House ought to be this. Granted, that a re-organisation scheme is necessary and that it is beneficial in the long run, is 17½ lakhs of rupees the minimum for its re-organisation? That is the point. In other words, can you not cut down the 17½ lakhs and yet have re-organisation? Now, to answer this question I take the example of the Bombay Presidency and the specific allotment in this re-organisation scheme for that Presidency, let us examine it from the point of view which I have placed before the House. The total expenditure for the re-organisation of the Department in the Bombay Presidency is Rs. 3½ lakhs. Let us go into the details and find out whether all that Rs. 3½ lakhs is really necessary. I contend, it may be possible to cut down there, either in the new posts to be created or in the new salaries to be fixed. Now, the details of Rs. 3,50,000 are as follows. One Commissioner on Rs. 2,000, one Assistant Commissioner on Rs. 1,500, four Assistant Commissioners on Rs. 1,000, 36 Income-tax officers, 46 Inspectors, 284 clerks, 243 menial servants and so on. Their salaries vary from Rs. 15 to Rs. 500 or more. The real question which I ask is, are these so many posts necessary, and if Rs. 2 lakhs, as Mr. Rangachariar wants, are cut down and spread over, say, 9 provinces, giving a reduction of only Rs. 25,000 for each province on an average,—it may be Rs. 50,000 for one province and Rs. 10,000 in others—will that little reduction of Rs. 25,000 on an average be or be not permissible in a total of Rs. 17½ lakhs? In other words, cannot the Department cut down, say, Rs. 25,000 from each province and yet have the re-organisation? I do certainly really think, Sir, if you examine the proposition from this logical point of view, that Rs. 2 lakhs in these days when we are scraping every penny in order to meet our deficit would be a reduction perfectly possible which the Government can I think certainly effect without injuring the re-organisation scheme. Sir, I support the amendment.

Khan Bahadur Abdur Rahim Khan (North-West Frontier Province: Nominated Non-Official): Sir, it is painful for me to get up. I would have accepted the explanation which has been given by the Honourable the Finance Member, but I think I will be false to my province if I do not repeat the sad story of its people and the bad treatment, which they have received at the hands of the subordinates of that Department. I can assure this Honourable House that in a good many cases they have been treated so very badly that they have altogether forgotten the Mahsuds and are quite prepared to prefer them to these subordinates of that Department. The Honourable Captain Sassoon said that we should co-operate with the Government. By all means, when I get up and say this I am co-operating with the Government. It is but proper that the Government should collect its dues, but by no means in such a summary way. But my point is this, that the Honourable the Finance Member, while encouraging this Department by his remarks must at the same time tell it that it must behave properly, because this Department is directly under us and we are responsible to our constituents if it won't behave properly. No one says that money which is due to the Government should not be paid. But they should not get money which is not their due. If the standard of collecting money is that they should realise more money any how, then, Sir, I will be the last person to support Government

[Khan Bahadur Abdur Rahim Khan.]

in this respect. I will say that it is much better that we should not have any money at all than displease so many people who are the real back-bone of Government and I assure you, Sir, that if anything will stimulate, if anything will make civil disobedience successful, it will be the misbehaviour of this Department. To-day I have received a letter. A generous Hindu gentleman, called Kishan Chand Jain, who always supported not only Government but also various charitable institutions with big donations and subscriptions, went to the officer there and said "My health is bad. Kindly give me 2 months' time and I will submit my accounts, because a part of my accounts has to come from Calcutta." The officer said, "No. You must submit your accounts at once." The result was he left Dera Ismail Khan soon in order to submit his accounts, reached Calcutta and died there of pneumonia. Can you expect the members of his family to co-operate with Government? He did not say that he did not want to submit his accounts and pay the money. He only wanted time and he was entitled to get that time. I say that those officers must be told that they should collect money in a proper way after making a full and thorough inquiry. It should be impressed upon them that a Department which is under the Central Government should be an example for the rest of the provinces to follow. So, if my Honourable friend says that competency means that they should collect more money, if competency is to be measured by the amount of collection of money, I would say "Hand over the Department to the Police. It will do as well if not better." My view is this. When this Income-tax Commissioner comes, the Honourable the Finance Member should ask him how many Hindus, how many Muhammadans, how many European officers are subordinate to him and about the misbehaviour of his subordinates. If you are going to have this Department, go on like this. I will be the first Indian—to say, "For goodness' sake, don't Indianise this Department. Do not have Hindus or Muhammadans in that Department. Their behaviour is so curious and strange that the people are quite fed up with it". I can assure the Government that the people who pay income-tax will lose their confidence in the Government in no time. I will say, Sir, that the Honourable the Finance Member should not only give us this assurance but he should issue orders to the subordinates of this Department to be popular with, and just to, the people. I will add one word more. A gentleman, the President of our Bar, on my return from Simla told me in the Bar Room that if our Inquiry Committee would have taken his evidence after coming in contact with the subordinate officials of that Department, he would not have given evidence in favour of amalgamation with the Punjab.

Mr. President: The Honourable Member is wandering away from the question.

Khan Bahadur Abdur Rahim Khan: As I am the only member from my province, Sir, and as my province is very much more concerned and interested in this subject I had to dilate a bit. The men from Bengal and Madras and other provinces can at least make their voices heard somehow or other. But unless I appear to the Honourable the Finance Member here, our people have no remedy whatsoever any where else. This Department is not under the local Government. As long as it was under the Local Government every thing went on smoothly and well. I would not be so harsh as to say that there should be a reduction but at least I will raise my voice on behalf of the people of my Province and request the

Honourable the Finance Member to take special interest in our people in order to remove and remedy their grievances.

Rao Bahadur T. Rangachariar: How enforce?

Khan Bahadur Abdur Rahim Khan: Sorry, could not catch your words.

Lieut.-Colonel H. A. J. Gidney: Sir, my remarks will be very brief on this motion. I was once told by a very experienced officer that if the Central Government obtained from India all the income-tax that was legitimately due, Budget deficits would be an unheard of event and I believe that there is more than a veneer of truth in this statement. We are asked here, Sir, to support a motion for a reduction of Rs. 2 lakhs. The Honourable the Finance Member has said that if this cut were passed by this Assembly, for every Rs. 10 we cut, we would lose about Rs. 30. Mr. Rangachariar objects to all extra expenditure of 17 lakhs even though the revenue accruing therefrom is about 35 lakhs i.e., a return of over 200 per cent. There is no doubt that the Income-tax Department is one of the most productive Departments of the Government, if properly administered and if we, in this Assembly, were to give our support to a cut which will reduce our revenue, I have no hesitation in saying that we will be cutting our nose to spite our face.

Mr. President: The original question was:

"That a sum not exceeding Rs. 58,93,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Taxes on Income'."

Since which an amendment has been moved:

"That the provision for Re-organisation of Income-tax Officers under the head 'Taxes on Income' be reduced by Rs. 2,00,000."

The question is that that amendment be made.

The Assembly divided:

AYES—48.

Abdul Majid, Sheikh.
Abdul Quadir, Maulvi.
Abdulla, Mr. S. M.
Abul Kasem, Maulvi.
Agarwala, Lala Girdharilal.
Ahmed, Mr. K.
Aiyer, Sir P. S. Sivaswamy.
Asjad-ul-lah, Maulvi Miyan.
Ayyangar, Mr. M. G. M.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Bhargava, Pandit J. L.
Bishambhar Nath, Mr.
Chaudhuri, Mr. J.
Faiyaz Khan, Mr. M.
Ginwala, Mr. P. P.
Girdhardas, Mr. N.
Gour, Dr. H. S.
Gulab Singh, Sardar.
Hussanally, Mr. W. M.
Iswar Saran, Munshi.
Jatkar, Mr. B. H. R.
Kamat, Mr. B. S.
Lakshmi Narayan Lal, Mr.

Mahadeo Prasad, Munshi.
Mudaliar, Mr. S.
Muhammad Ismail, Mr. S.
Mukherjee, Mr. J. N.
Nag, Mr. G. C.
Nand Lal, Dr.
Nayar, Mr. K. M.
Neogy, Mr. K. C.
Pyari Lal, Mr.
Ramji, Mr. Manmohandas.
Rangachariar, Mr. T.
Reddi, Mr. M. K.
Samarth, Mr. N. M.
Sarfaraz Hussain Khan, Mr.
Srivadhikary, Sir Deva Prasad.
Shahani, Mr. S. C.
Singh, Babu B. P.
Sinha, Babu Ambica Prasad.
Sinha, Babu L. P.
Sircar, Mr. N. C.
Srinivasa Rao, Mr. P. V.
Ujagar Singh, Baba Bedi.
Venkatapatiraju, Mr. B.
Vishindas, Mr. H.

NOES—49.

Abdul Rahim Khan, Mr.
 Achariyar, Rao Bahadur P. T.
 Srinivasa.
 Aiyar, Mr. A. V. V.
 Akram Hussain, Prince A. M. M.
 Allen, Mr. B. C.
 Amjad Ali, Maulvi.
 Barua, Mr. D. C.
 Basu, Mr. J. N.
 Blackett, Sir Basil.
 Bradley-Birt, Mr. F. B.
 Bray, Mr. Denys.
 Brayne, Mr. A. F. L.
 Bridge, Mr. G.
 Burdon, Mr. E.
 Cabell, Mr. W. H. L.
 Chatterjee, Mr. A. C.
 Clark, Mr. G. S.
 Cotelingam, Mr. J. P.
 Crookshank, Sir Sydney.
 Faridoonji, Mr. R.
 Gajjan Singh, Sardar Bahadur.
 Gidney, Lieut.-Col. H. A. J.
 Haigh, Mr. P. B.
 Hailey, the Honourable Sir Malcolm.

Hindley, Mr. C. D. M.
 Holme, Mr. H. E.
 Hullah, Mr. J.
 Ikramullah Khan, Raja Mohd.
 Innes, the Honourable Mr. C. A.
 Jamall, Mr. A. O.
 Jannadas Dwarkadas, Mr.
 Joshi, Mr. N. M.
 Ley, Mr. A. H.
 Lindsay, Mr. Darcy.
 Mitter, Mr. K. N.
 Moir, Mr. T. E.
 Muhammad Hussain, Mr. T.
 Percival, Mr. P. E.
 Ramayya Pantulu, Mr. J.
 Rhodes, Sir Campbell.
 Sams, Mr. H. A.
 Sassoon, Capt. E. V.
 Schamnad, Mr. Mahmood.
 Shahab-ud-Din, Chaudhri.
 Singh, Mr. S. N.
 Spence, Mr. R. A.
 Townsend, Mr. C. A. H.
 Webb, Sir Montagu.
 Willson, Mr. W. S. J.

The motion was negatived.

Dr. Nand Lal: The motion which I propose to move runs as follows :

"That the provision of Rs. 9 lakhs for payment to Local Governments for part services of their staff in income-tax work, under sub-head 'India' be reduced by Rs. 2,00,000."

Sir, I am not one of those who would seriously think that the local Governments should be deprived altogether of the money which may be due to

5 P.M. them had they worked properly. But from the number of complaints which have reached me I can easily deduce that their staff and their employees who were entrusted with this work have not been working satisfactorily. Now according to the provisions of the Income-tax Act, returns would be submitted, properly subscribed . . .

Mr. President: I want to know whether the Honourable Member is not discussing the same subject which we have been so far discussing. I gather from his opening remarks that the Honourable Member is proceeding to discuss the subject which we have been discussing for over an hour and three quarters.

Dr. Nand Lal: I am expressing my view as to why this cut should be made and the whole sum should not be given to the local Governments for the services rendered by them to the Central Government, so far as the assessment of Income-tax goes.

Mr. President: The Honourable Member is aware that this subject was discussed along with the question of the reorganisation of the Income-tax officers. I want to know whether the Honourable Member is proposing to continue that discussion.

Dr. Nand Lal: I, during my to-day's last speech, referred to the general phase of it. I am now referring to a particular item and a particular aspect of it. I will not take a minute so far as the general phase of the question

goes. I will purely confine my remarks to the value of the services rendered by the local Governments for which they ask for a certain sum of money. I quite realise that I should work within the scope of this amendment and I can give an assurance that I shall not go beyond that scope. The reason why I move this amendment and ask that a cut amounting to 2 lakhs may be made is this, that some of the local Governments do not deserve the money which is being provided for under this item. (*Cries of "Withdraw."*) I shall see whether you lose your patience or not. When I am determined to do a thing I should do it because I think it is my duty. You are not approaching this amendment with the same seriousness as I do but I am very serious about it. The services must be paid for no doubt, but while we are making payment we ought to see whether the services in lieu of which we are being asked to make payment were good services or not.

Mr. President: This question has been discussed already and answered by Mr. Venkatarama Aiyar. The Honourable Member is not entitled to re-open that subject.

Dr. Nand Lal: May I understand that the Chair means to order that no argument with reference to the character of the services rendered by the local Governments in the direction of the collection of income-tax may be raised. If that is the ruling of the Chair, I shall bow to it.

Mr. President: The question which is raised by the Honourable Member has been already discussed in relation to the motion for reduction which preceded it. The two questions are closely related and I allowed the discussion to proceed on that basis, because otherwise it could serve no useful purpose. The Honourable Member is perfectly in order in asking for a decision whether this money shall be voted or not but he is not entitled to go into the merits of the question which, as I have already said, has been already discussed in the previous debate.

Dr. Nand Lal: I shall then offer my suggestion to the Honourable the Finance Member that he will convey my suggestion to the local Governments that their employees have not rendered full services in the manner we had expected. Since I am not allowed to pursue my arguments further, I will finish with this final suggestion which I repeat that the Honourable the Finance Member will convey an expression of our opinion that we are not satisfied with the working of the employees of the local Governments in this direction, namely, the manner in which they assessed and collected the Income-tax.

Mr. Harchandrai Vishindas: Sir, I move:

"That the provision for Bombay under the head 'Taxes on Income' be reduced by Rs. 100."

The object of this motion of mine is similar to the one in my previous amendment. I want to say that the Karachi staff, especially the subordinate staff of the income-tax department should be treated on the same footing as the Bombay staff, because the Karachi staff are equally worked as the Bombay staff, if not more. Now, in regard to the Customs Department I made a similar observation. The reply of the Member for Commerce and Industry was that as this work had been delegated to the local Governments they do the proper distribution between Bombay and Karachi

[Mr. Harchandrai Vishindas.]

and therefore it was not open to the consideration of the Central Government. My reply is that this is really not an admissible or a valid argument, because as the income-tax revenue is under our control, we have a voice in the matter and how can we have a voice in the matter if the Central Government throws its responsibility off its shoulders and delegates it to the local Government. The question is whether or not we can make suggestions for the consideration of the Central Government. If we are told that the local Governments make these distributions, then we are abdicating our functions. Therefore I think that the proper course for the Government would be to certainly investigate by inquiries or otherwise whether or not our complaints are correct and the fact that the distribution of this expenditure is delegated to the Bombay Government should not relieve the Central Government of its responsibility. That is all my intention.

Mr. A. V. V. Aiyar: Income-tax officers in Bombay and Sind unlike Customs officers are entirely under the Government of India. We are prepared to note the suggestion which the Honourable Member has made in regard to the disparity in rates between the two places.

Mr. Harchandrai Vishindas: I beg for leave to withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. J. Ramayya Pantulu: I move:

"That the demand under the head 'Taxes on Income' be reduced by Rs. 100."

My object in moving this amendment is to draw the attention of Government to one of two points in connection with the administration of the Income-tax Act in connection with the assessment of the income of Firming. Some of the matters I am going to refer to are dealt with in the rules issued under the Act but apparently those rules are not being properly carried out. I therefore wish to draw the attention of Government to some of the grievances that the people in the mufassal seem to be labouring under. I am instructed by a friend of mine, an important merchant in the Godavari District, to point out that when one of the partners to a firm contributes capital to the firm on the understanding that he should get interest for his capital, and that after the interest has been deduced, the profits should be shared amongst the partners, the interest paid to the financing parties from the profit for the purposes of taxing the firm to income-tax, that is, the firm is assessed on the profits including the interest which is really paid to one of the partners. I see that there is a rule in the rules issued under the Act that where one of the partners contributes the capital and he is entitled by an agreement that he enters into with the other partners to interest upon the capital and the claim for interest can be enforced in a civil court, the interest paid to him should be deducted from the profits on which the firm is liable to be taxed. But I understand that this rule is not strictly enforced, and I therefore think that the Government should issue instructions to the Income-tax establishments to interpret the rule in a sympathetic manner and make allowance for the interest paid on the capital so borrowed.

Another instance, Sir, in which some hardship is caused is when a firm borrows money in one year and pays interest thereon in the next year. I am told that no deduction is made for the payment of interest so made

because the money is not borrowed in the year in which interest is paid. I should not have believed such a thing if it had not actually been put to me by a responsible and respectable merchant. You borrow money in the year 1923 and you pay interest thereon in the year 1924, and in assessing you for income-tax for the year 1924 the income-tax officer, I am told, makes no allowance for the interest paid in that year because the money is not borrowed in that year but in the previous year. I do not think that is a proper thing to do.

Then, there is another point, Sir, which I wish to bring to the notice of Government. Under the old Act interest was liable to be assessed to income-tax if it accrued though it has not been actually collected. Under the present rules only the interest that is collected is liable to income-tax. Now, suppose interest which has accrued in the last few years has been assessed to income-tax from year to year, as it accrued and suppose all that is collected in this year, then it is liable to be taxed because it is income actually received. But that amount has already been taxed in previous years because it accrued in those years, and thus there is double assessment. The assessee has no means of showing that this sum has been already assessed in the previous years, because he has not got the details of the sum on which he has been assessed in the previous years. Those details are only available with the assessing officer. It may very easily be that though an assessee has been assessed on certain sums of money on account of interest which has accrued in previous years, but was not collected, he is again assessed on the same income in a succeeding year when it is actually collected. It should be in the power of the assessee to show that he is not liable to be taxed again because that amount has already been taxed. For that purpose he must have with him information to show that these amounts have been already taxed. That information is with the assessing officer, though it does not appear in the order of assessment. I propose, therefore, that the assessing officer should be instructed to give a copy of the details of the assessment to the assessee if he asks for it. Otherwise he cannot show that he has already paid the tax on an amount on which it is proposed to tax him again. These are the points which I wish to bring to the notice of Government.

The Honourable Sir Basil Blackett: Sir, I do not think that the Honourable Member who made this motion will expect me to deal across the floor of the House with the somewhat intricate detailed methods of assessing a very difficult tax. If the Honourable Member will let me have an explanation of the exact point which he wants looked into, I shall be very happy to do so at once.

The motion was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

"That a sum not exceeding Rs. 58,93,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Taxes on Income'."

The motion was adopted.

The Honourable Sir Malcolm Hailey (Home Member): I understand that this morning suggestions were made with a view to the re-arrangement of the demands for grant in an order in which the Assembly would find it most convenient to debate them. I have consulted with some of

[Sir Malcolm Hailey.]

our friends and with your permission, Sir, we propose to take, beginning from to-morrow, the demands in the following order:

- No. 8 Railways.
- No. 8 Salt.
- No. 4 Opium.
- No. 14 General Administration.
- No. 10 Posts and Telegraphs.
- No. 11 Indo-European Telegraph.
- No. 7 Forests.
- No. 6 Stamps.
- No. 5 Excise.
- No. 12 Interest on debt and sinking funds.
- No. 43 Stationery and printing.
- No. 34 Commercial Intelligence.

We propose that after further consultation we should to-morrow evening issue a further list giving the order in which the remaining grants should be taken. I believe from what I have heard that the order of demands which I have read out to the House will suit its convenience, and it will also suit Government if the debate is taken in that order.

Mr. Jamnadas Dwarkadas: I have only one suggestion to make with regard to the statement made by the Honourable the Leader of the House. I wonder if the Honourable the Leader of the House is aware that a suggestion was made this morning in the House for an informal committee. But, apart from that I thought that before making the statement to-morrow it would be to the convenience of some of us here if the Honourable the Leader of the House and the Honourable the Finance Member could consult some of us as to which items should be taken first.

The Honourable Sir Malcolm Hailey: I am sorry that Mr. Jamnadas was omitted from the consultation; but this statement I have made is, of course, the result of consultation. I should not have drawn up such a list without seeking advice on the subject.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): I may mention that I consulted many of my Honourable friends as regards the order in which these demands should be taken. The feeling is that we should have some of these important subjects first disposed of, so that when the final day comes we may not be hurried in the disposal of these important subjects. I therefore told the Honourable the Leader of the House and the Honourable the Finance Member that this would be the best order in which the subjects may be discussed; and I think that is agreeable to most of us here.

The Honourable Sir Malcolm Hailey: If I had had more time, and if the House had not been busily engaged at the moment, I should of course have asked Members of the various Parties in the House to meet me and discuss the matter. I regret I had no opportunity of doing so, but I understood that the matter had been previously discussed between parties in the House, and that very list represented the conclusions to which they had come.

Mr. Jamnadas Dwarkadas : Sir, my only object in pointing that out was that some items should not be left out, because I do feel that even in this list some important items that we should like to consider have been left out.

Mr. B. A. Spence : May I ask, Sir, with a view to our not being hurried, whether you are going to fix any time this week for our sitting—are we going to sit till 7 or 8?

Mr. President : That depends entirely upon the sense of the House as gathered by the Chair. I may point out that the Punjab Legislative Council recently sat till 10-30 P.M. on one day.

Chaudhri Shahab-ud-Din (East Central Punjab: Muhammadan): Till 10-15 P.M., I was there.

Mr. President : The arrangement proposed by the Honourable the Leader of the House is not only eminently suitable but is certainly in order, and we shall follow that course.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 13th March, 1923.

LEGISLATIVE ASSEMBLY.

Tuesday, 13th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

DATE OF FUTURE SESSIONS OF THE LEGISLATIVE ASSEMBLY.

The Honourable Sir Malcolm Hailey (Home Member): I am sorry that I was not in my place yesterday when my Honourable friend Mr. Chatterjee kindly accepted a number of inquiries on my behalf regarding the future sittings of the Assembly. I am now able to announce that there will be a Summer Session of the Assembly. It has been arranged provisionally that this will commence on the 2nd of July. This date has been arranged with the assent of the President.

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadian Urban): Can the Honourable Member give us any idea as to how long the Session is likely to last?

The Honourable Sir Malcolm Hailey: I am afraid not, but we anticipate in the light of the business that we can foresee that it will be a short Session.

Mr. K. Ahmed (Rajshahi Division: Muhammadian Rural): What about the September Session as usual? Do I understand that instead of the September Session, we are going to have a July Session?

Mr. President: I understand that the Honourable Member will probably be engaged at that time in meeting his constituents.

THE BUDGET—LIST OF DEMANDS.

SECOND STAGE—*contd.*

RAILWAYS.

The Honourable Mr. O. A. Innes (Commerce and Industries Member): I beg to move, Sir:

"That a sum not exceeding Rs. 54,47,79,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Railways'."

Mr. P. P. Ginwala (Burma: Non-European): I beg to move:

"That the Demand under the head Railways, sub-heading Working Expenses be reduced by Rs. 4 crores."

This is a slight verbal modification of the amendment No. 173 which stands in my name. It was all along my intention to confine my arguments solely to the reduction of working expenses and I did not wish to touch upon any other items, so far as this amendment was concerned. Sir, a layman like myself handling figures against the financial experts of the

[Mr. P. P. GINWALA.]

Government of India is necessarily at a great disadvantage for it is very difficult for him sometimes to follow the reasoning of our financial experts.

To give an instance yesterday, we moved a reduction of Rs. 4 lakhs under the head Customs and the Honourable the Finance Member got up and said that the effect of that would be to increase the deficit by one crore of rupees. Applying that principle, I feel that if I succeed in carrying this amendment of mine, the deficit will be increased by 100 crores. That, however, is the difference between the expert and the lay mind and as the difference is of a permanent character, I suppose it must be allowed to remain. Subject to that limitation, I would invite the attention of the House to a few figures. The original Budget estimate as framed and presented to this House on the 1st of March for working expenses was Rs. 66.51 crores. Now, it has been reduced to Rs. 63.51 crores. It is stated that by this further reduction of 3 crores, Government have given substantial effect to the recommendation of the Incheape Committee. No doubt, there is a literal compliance with the recommendation of the Incheape Committee in that adjustment. But I venture to submit to the House that it does not give effect to the implications or rather the opinions of the Incheape Committee taken as a whole as embodied in the Chapter on Railways. It is within the recollection of the House that the Incheape Committee laid down a broad general principle that as compared to the Budget estimate for 1922-23 there shall be a reduction of $4\frac{1}{2}$ crores but that as compared with the proposed budget for the present year there shall be a reduction of $3\frac{1}{2}$ crores. In coming to that conclusion they adopted rather a peculiar line of reasoning. They say at page 76 of the Report, paragraph 30, in effect that first of all there was a reduction of 4 per cent. on the estimated revenues, and therefore there ought to have been an automatic reduction of 4 per cent. on the expenditure, and by this reasoning they arrive at the conclusion that as compared with the budget estimate for 1922-23 the estimate for 1923-24 ought to have been less by 2.44 crores, but that, compared to the preliminary estimate for 1924, it ought to have been less by 165 lakhs. Then they go on to say that if the railway administration carry out their other recommendations suggesting economies in certain directions, (but apart from the drop in the price of materials,) the Railway Administration ought to be able to reduce their expenditure by, say, an additional one crore and 75 lakhs. It is in that way that they get their figure of $4\frac{1}{2}$ crores as compared to the budget estimate for 1922-23, and $3\frac{1}{2}$ crores as compared to that of 1923-24. It is a very curious circumstance that in coming to their conclusion they should have forgotten many recommendations that they had made earlier in the Report, and which apparently have not been taken into account in stating their conclusion in those words which you find at the end of the chapter, clause 6 of the conclusions. My submission to the House is this, that though in so many words they only recommend a reduction of $4\frac{1}{2}$ crores on the budget estimate for 1922-23, they really intended to recommend a reduction of at least 6 crores, if not more, and this is how I work out the figures. I will give the figures in their proper order.

	Rs.
Budget estimate, 1922-23	67.99 crores.
Revised estimate according to the Memorandum furnished by the Chief Commissioner	66.33 „
being a saving of	1.78 „ on the actual figures.

The Inchcape Committee had not apparently the correct figures for they estimated the actual saving at 1.15 crores, but according to this Memorandum, it should be 1.73 crores, that is to say on the actual figures. But if you take the hypothetical basis applied by the Inchcape Committee, it ought to be 2.44 crores. Then at page 76 also, paragraph 29, they deal with what is called the Programme expenditure on revenue account. The original estimate of 1922-23 was 12½ crores and apparently that was going to be the estimate for this next year in furtherance of a general policy, which it seems has been laid down by the Railway Administration and is to be followed for a series of years. The Inchcape Committee remark in connection with this:

"As a result of our consideration we are of opinion that the budget provision for programme revenue expenditure in 1923-24 should be limited to 9 crores, and that the Agents of individual railways should be empowered to utilise the amounts allocated to their railways at their discretion for either additional repairs or renewals, which, as we have already pointed out, are very closely inter related."

So that there is a clean cut there of 3½ crores, not for every year, but at any rate for the present year, 1923-24.

Then take another heading, the Staff, page 72, paragraph 22. They have come to the conclusion that the Railway Administration is over-staffed and that substantial reductions are necessary, and they point to the very laudable instance of the Great Indian Peninsula Railway which proposes to reduce its staff by 50 lakhs of rupees in this year 1923-24. After referring to the Great Indian Peninsula Railway, they go on to observe:

"Other Agents stated they were gradually affecting reductions, but we consider that, in present financial circumstances the employment of staff in excess of requirements cannot be justified. We recommend that a further saving of at least rupees one crore should be effected in salaries and wages in 1923-24."

This gives us an additional one crore, which added to the 50 lakhs of the Great Indian Peninsula, makes a saving of a crore and a half.

Take another item, Fuel. Under Fuel, they budgeted for 10 crores 2 lakhs for 1922-23. They saved about 38 lakhs actually in fuel last year, and according to the Memorandum of the Chief Commissioner, they expect a saving of one crore of rupees on fuel during the present year. I refer to paragraph 19 of the Memorandum where it says:

"The provision in the budget for fuel in the current year was placed at rupees 10.02 crores as compared with the actual expenditure of 9.79 crores in 1921-22. In the revised estimate it has been reduced to 9.64 crores; (that is about 38 crores reduction) due to a smaller quantity of imported coal having been purchased."

The budget for 1923-24 provides for Rs. 8.69 crores. Therefore there is a reduction of at least one crore, if not more, compared to the budget estimate for 1922-23. It really comes to a crore and 30 lakhs. The Inchcape Committee, in referring to that, says at the bottom of page 67:

"In view of all the circumstances we are of opinion that a considerable reduction in the expenditure on fuel should be possible in 1923-24 and we understand that it is proposed to reduce the estimate to Rs. 8.68 lakhs by an arbitrary cut of 1 crore on the demands made by the Agents, included in the preliminary estimates for 1923-24."

So they do not consider the reduction of one crore too high. In fact upon the figures appearing in the Memorandum, compared to 1922-23, there ought to be a reduction of at least one and a quarter crores, but I have taken only one crore. Now, if you total up only these four items which I have

[Mr. P. P. Ginwala.]

mentioned, namely, the actual saving during the current year of 1.73 crores, the recommended reduction of 3.50 on the revenue programme expenditure, a crore and a half on the staff and one crore on the fuel, you get a total reduction of 7.73 crores on the budget estimate for 1922-23, whereas, if you take the Inchcape Committee's hypothetical basis, in deriving the saving which, I submit, is the basis upon which any business man would act, namely, that if there is a fall in revenue there ought to be a corresponding fall in expenditure,—you get these figures, 2.44, + 3.50 + 1.50 + one crore, or a total reduction of 8.44 on the budget estimate for 1922-23. Now, if you deduct from the budget estimate of 1922-23, which was 67.99 crores this first total, namely, 7.73, you get 60.26 crores, which ought to have been the budget estimate for this year. But, if you take this 67.99 crores and deduct from that 8.44 crores, which, I submit, is the correct recommendation of the Inchcape Committee, you get 59.55 crores, which is just under 4 crores less than the revised estimate which is presented now of 63.51 crores. So that I venture to submit that, whichever figure you take, there is an excess of about 4 crores in the estimate submitted by the Honourable the Finance Member over what the Inchcape Committee actually recommended. If it is our intention, and if it is the intention of the Government that we must do our best to wipe out this year's deficit, it would be their duty first of all to convince the House that they have done their best and that they are doing their best to reduce their expenditure. If they are able to convince us, we should be the last persons to refuse them any additional taxation that is required. But under these conditions which I have just now mentioned to the House and having regard to the figures, it is perfectly plain that, unless they reduce their estimate by at least four crores of rupees, they would not be doing that which every Member in this House expects them to do, namely, to cut down their expenditure with due regard to efficiency to the lowest possible minimum.

The figures which I have given do not make any allowance for many other causes which may lead to the reduction of expenditure. No doubt we shall be met with certain arguments such as that the staff cannot all at once be reduced, that there may be more fuel used if there is more traffic, and so on; but remembering all these circumstances, there is yet much to look to by way of economy. First of all, I will refer to the drop in prices of materials. Except perhaps, with reference to fuel, there is no account taken whatsoever in my figures of the general drop in prices. We have no evidence, so far as I know, upon which the House can definitely act as to what that drop is, but we have some indication in the Memorandum of the Chief Commissioner himself from which we can reasonably deduce what may be expected. When he deals with the revenue programme of 12½ crores, he suggests a reduction of one crore. That, I take it, is mainly due to the drop in prices of materials. So that, if you take that as your basis, namely, one crore in every 12½ crores, you will probably find that there is room for a further reduction of 3 or 4 crores only on the ground of a drop in prices.

Then, there is one other item that also deals with this revenue programme expenditure. There is no more damning condemnation of the system adopted by the Government in their valuation of depreciation than is to be found in the remarks of the Inchcape Committee. The Government apparently seem to follow what I may describe as the actuarial basis.

that is to say, they fix the life of a locomotive at 25 years or of the rails at 30 years and something else at so many years. When that period has expired they think it is their duty to scrap those articles. I want to ask Honourable Members whether in insuring their own lives they would follow that principle. If an actuary told them that the insurable value of their lives is 20 years, will they after 20 years, commit suicide? I can see no distinction whatsoever between that and the principle that is followed by the Government. You cannot scrap locomotives, for instance, simply because they are 20 or 25 years old. Any Honourable Member from Bombay or Calcutta would tell the Railway Administration how they manage repairs and renewals to their machinery in their mills. They do not scrap their machinery simply because their adviser has told them that it ought to be scrapped after 25 years. Sir, there is a very pathetic story here in this Incheape Committee's Report of how an Agent tried to persuade the Railway Administration that it was not necessary to go in for a length of 60 miles track. (*A Voice*: "What page.") Page 65. That, as I say, is a very pathetic account of what takes place in our Railway Administration. The Report says:

"It was represented to us by one of the Agents that a considerable portion of the expenditure on his Railway was for renewals which were in his opinion absolutely unnecessary and that 60 miles of line to be renewed in 1923-24 and a similar mileage in 1924-25 could easily be strengthened at about one-third of the cost to last a further 15 or 20 years."

This is how the Chief Commissioner meets him:

"On the other hand the Chief Commissioner stated that the renewals were part of a programme framed with a view to avoiding the necessity of having to renew any unduly large portion of the line in any one year, which would mean a large financial outlay and considerable interference with traffic working."

Then the Incheape Committee go on to say that that was not the way the Railway Board ought to carry on its business; it ought to be left to the discretion of the Agents. I do not think I am exaggerating the case when I state that most Members of this House will agree with the remarks of the Incheape Committee and of this Agent, whoever this unfortunate individual was, whose advice was not accepted by the Railway Board. It is all very well to talk of inconvenience, but the far more important thing is balancing the budget and saving public money. It may be that they may be inconvenienced if this procedure is adopted, but that, I say, is a comparatively small matter, and no business man, I venture to submit, will scrap 60 miles of track simply on the ground of inconvenience alone. As I said before, any Honourable Member from Bombay, for instance, my friend, Mr. Manmohandas Ramji, or Sir Campbell Rhodes, from Bengal or anybody else, who has experience of these things, will be able to tell you that that is the most unbusinesslike way of dealing with renewals and repairs. No business man follows this method in practice. So that, far from this 9 crores which the Incheape Committee allowed for the revenue programme being unduly small, I say it is excessive. The whole system must be thoroughly overhauled and if possible, pending an investigation into it the whole of this 9 crores ought to be saved, if the Railway Board find no other way of making these renewals in a business-like fashion. I think, I can fairly claim that there has not been a single occasion when I have spoken in this House in favour of any proposition which is likely to interfere either with our revenue departments or with our business departments, if expenditure is necessary; but I must protest

[Mr. P. P. Ginwala.]

against the manner in which the Railway Administration is conducted and their business methods, or rather I should say their unbusinesslike methods. Then again you will find, that in dealing with stores, for instance, they speak of "an excessive quantity stores" at page 78. Now, I do not know I will try to get the figures—they are not given in any of the documents supplied to us—as to how much stores they are going to purchase out of revenue during the next year; but if what the Inchcape Committee say is right, that they are overstocked with stores, then there must be room for economising in the purchase of stores within the next twelve months.

There I have pointed out at least three sources from which further economies could be effected, if the Railway Administration made up their minds to do so; and if they did so there is ample provision in those economies for what the Honourable the Finance Member described as "lag" in connection with the reduction of staff and other matters. A proposal has been made for increased taxation. It has been condemned in the country so far as the Salt Tax is concerned, not on economic grounds, I admit, but on political grounds. I say that political grounds in this particular case are far more important than economic grounds. I have no hesitation in saying that for I am not one of those who would go out of my way to give an advantage to my political opponent. I know he will make capital out of this against me at the election and I am not going to give my enemy an advantage. I put it plainly and simply on that ground, and this House will be perfectly justified in refusing any further additional taxation from salt only on that ground. Under the circumstances on economic grounds it is not necessary to discuss. If the Budget has to be balanced, the expenditure on railways must be reduced by a further 4 crores, and I do not believe that the Railway Administration will suffer in the point of efficiency by that reduction in spite of what the Honourable the Finance Member said yesterday. I do not think there will be a deficit of 100 crores if we reduce this estimate by 4 crores on the basis employed by the Honourable the Finance Member yesterday; and in any case the Railway Administration would be able to prove what they have failed to prove up to now—that they have at least some business ability to handle with a difficult financial situation by making both ends meet without affecting efficiency in any way. The Inchcape Committee, I need not remind the House, consisted of business men who knew what they were talking about but who forgot to say in so many words what they actually intended. There was satisfaction in the House when it was represented to it that the Government had given effect, more or less full effect, to the recommendations of the Inchcape Committee. That may be literally true, but I venture to submit that that was not the intention of the Inchcape Committee, in so far as it can be gathered from the Report read as a whole. It is the duty of this House, after having insisted upon the appointment of a Retrenchment Committee, to see that its recommendations are fully accepted by the Government. If it does not do that, it might just as well have not asked for the appointment of that Committee at all. It is not necessary to attribute any infallibility to the Inchcape Committee; but I do not believe that if Government wanted to take advice from business men they could have selected a better lot of men than those who sat on that Committee; and for that reason alone, subject to whatever correction the Government may choose to make in my interpretation of the Inchcape Committee's Report, it is the imperative duty of the House to accept this amendment. I move it, Sir.

Mr. S. O. Shahani (Sind Jagirdars and Zamindars : Landholders): Sir, I beg to support the amendment that has been proposed by my Honourable friend Mr. Ginwala; and the reasons why I support this amendment are these. I would request the Honourable Members to look at page 22 of the Explanatory Memorandum on the Railway Budget for 1923-24. On this page they will find a statement of the working expenses of the railways from 1917 to 1923. I would request the Honourable Members to note the figures that are given there. In the year 1917 the working expenses amounted to 31.34 crores; in 1918 to 37.06 crores; in 1919-20 to 45.45 crores; in 1920-21 to 54.51 crores; in 1921-22 to 65.66 crores; and in 1922, revised Budget, to 66.33 crores. The estimated working expenses for the year 1923-24 amount to 66.51 crores, *minus* of course the 3 crores that have been deducted in accordance with the recommendations of the Incheape Committee. I would now request the Honourable Members to compare the 1917 figures on the one hand, and the 1922 revised estimates on the other, and to note the increase in the working expenditure amounting to 35 crores. Then I would request the Honourable Members to compare the gross receipts of the railways during the same period. I have worked out these figures. The net receipts are given on page 23. If you add the working expenses and the net receipts, you find that the gross receipts amounted in the year 1917 to 68.90 crores, in 1918-19 to 76.24 crores, in 1919-20 to 79.08 crores; in 1920-21 to 80.97 crores, in 1921-22 to 81.69 crores, and in 1922-23, revised estimates, to 92.07 crores. The estimates for the present year will be 95.57 crores. Now if we compare the gross receipts of 1917-18 with the gross receipts of 1922-23, we find that the increase in the gross receipts has been 23.17 crores. I want the Honourable Members to note that while the increase in the gross receipts amounts to 23.17 the increase in the working expenditure amounts to 35 crores, and after the cut of 3 crores referred to above, to 32 crores. The increase in the receipts has been due to the higher rates. The increase in the working expenses has been something abnormal. I would request Honourable Members to bear with me a little and look into the statement of demands for expenditure chargeable to revenue in India—page 4, appendix B. Here the main heads of the working expenditure are given. The first is maintenance; the second is operative expenses, divisible again into general superintendence and running expenses, and the third the programme revenue expenditure. I request the Honourable Members to note that the programme revenue expenditure budgeted in 1922-23 amounted to 11.81 crores. The whole of this amount was not expended upon the railways during the year, probably because materials were not available, there was a slight fall in prices, and on account of other causes. Only 9.47 crores were spent upon the programme revenue expenditure; that is to say, 2.34 crores were left. I want the Honourable Members to note that this programme revenue expenditure is really not a part of the working expenditure, and that but for this unspent balance of the programme revenue expenditure amounting to 2.34 crores, the Chief Commissioner of Railways would have shown a deficit and not a surplus. The total working expenses in 1922-23 amount to 71.36 crores in the budget, and to 70.22 crores in the revised estimates; that is to say, the saving amounts to 1.14 crores only as against an unspent balance of 2.34 crores. As it has been already rightly pointed out by the Incheape Committee it is a bad principle to include programme revenue expenditure in working expenditure. The suggestion that the Committee make is certainly worthy to be adopted, namely, that a sinking fund should replace the programme revenue expenditure. Take the year 1922-23. If

[Mr. S. C. Shahani.]

the programme revenue expenditure had been set apart and not included in the working expenditure last year, what would have been the result? The result would have been that this amount of 2.34 crores would have been available this year for the repairs and renewals of the railways. The railways got into disrepair during the war, and it is on that account, it has to be remembered that we have to incur such a large expenditure on repairs and renewals now. On account of a bad system of book-keeping this amount for repairs and renewals comes to be included in the ordinary working expenses, and the Chief Commissioner of Railways is able, of course nominally, to show a surplus.

I would now request Honourable Members to look at pages 80 to 85 of this Appendix B. I am seeking to make out that the expenditure that is being gone in for on the railways is abnormal. I want therefore that the Honourable Members should realise that a very large number of officers is being unnecessarily employed. On pages referred to above you will find the officers drawing Rs. 1,000 and more are enumerated—Chief Commissioner of Railways, Members, Chief Engineers, Chief Mechanical Engineers, Secretary and so on. I have put together the number of officers that have been employed. Of course here, as elsewhere whole lists are not available; and I would collaterally request the railway authorities to kindly supply a complete list of the more important officers so that we may be in a position to institute comparisons; but such information as has been furnished leads us to realise that the number of highly paid officers employed on the various railways is much too large. On the Bengal Nagpur railway we have 174 officers, and the total mileage is 2,820; on the Bombay, Baroda and Central India Railway the total number of officers is 170, while the total mileage is 3,641; on the Eastern Bengal Railway the total number of officers, drawing of course more than Rs. 1,000, is 91, while the total mileage is 1,734; on the East Indian Railway the total number of officers is 208 while the total mileage is 2,773; on the Great Indian Peninsula Railway we have got 223 officers while the total mileage is 3,335; on the Madras and Southern Mahratta Railway we have 115 officers and the total mileage is 2,938; on the North-Western Railway we have 208 officers while the total mileage is 5,682; on the Oudh and Rohilkhand Railway we have 53 officers while the total mileage is 1,625; on the South Indian Railway we have 50 officers while the mileage is 1,850. Now, if we compare these figures we realise what a waste of public money is made in the expenditure on railways. Contemplate kindly the Oudh and Rohilkhand Railway with a total mileage of 1,625 and with 53 officers; take then the Great Indian Peninsula Railway which has got 223 officers while the total mileage is 3,335; the mileage is double or slightly more than double, but the number of officers employed is four times as much. Then kindly contemplate the Eastern Bengal State Railway with 1,734 miles and 91 officers while the Oudh and Rohilkhand Railway, with which I began, has only 53 officers although the mileage is about the same—1,625. (Mr. T. V. Seshagiri Ayyar: "They are State-managed railways.") I am going to show that company management is not so good as it is represented to be. The Great Indian Peninsula Railway for instance has four times as many officers as the Oudh and Rohilkhand Railway. That is however by the by. But contemplate these sets of conditions to which I have referred, and you will realise that even when you make allowance for the variation of conditions you find that there is great room for economy in the Railway expenditure.

I would now request you to look at page 10 and a few following pages of the same Appendix. Here we find revenue receipts and working expenses for 1921-22 to 1923-24. You find on comparison that on the Bengal Nagpur Railway the working expenses amounted to Rs. 308 lakhs in 1918-19; in 1923-24 they are estimated at 498 lakhs. On the Bombay, Baroda and Central India the working expenses amounted to 419 lakhs in 1918-19, while they are estimated at 813 lakhs in 1923-24. Every other line shows excessive rise in working expenses between 1918 and 1923. Eastern Bengal Railway 225 lakhs against 431, East Indian Railway 465 against 1,017, Great Indian Peninsula Railway 728 against 1,143, Madras and Southern Mahratta Railway 290 against 532, North Western Railway 686 against 1,212, Oudh and Rohilkhand Railway 132 against 260, South Indian Railway 157 against 372. Here too, I would request you will consider with some care one or two sets of conditions. Take the Eastern Bengal Railway, and you will find that the working expenses in 1918 amounted to 225, whereas the working expenses are now estimated at 431. Oudh and Rohilkhand Railway shows 132 lakhs in 1918, but its working expenses are estimated at 260. South Indian Railway shows 157 in 1918 and 372 now. And note the mileage too of these Railways. Eastern Bengal Railway a mileage of 1,734, Oudh and Rohilkhand Railway of 1,625, South Indian Railway of 1,850. Now this mileage will be approximately, roughly of course, the same, still what a difference do you find in the working expenses. On the Eastern Bengal Railway you have 225 lakhs as against 135 on the Oudh and Rohilkhand Railway and against 157 on the South Indian Railway. Then contemplate one other condition of things, and it is this. On the Bombay, Baroda and Central India Railway the working expenses for 1918 amounted to 419, and in 1923-24 they have been estimated at 813. On the Great Indian Peninsula Railway the working expenses for 1918 were 728, and now they have been estimated at 1,143. Now is not all this exceptionally irregular and abnormal? I would earnestly request the Honourable Members to remember these figures which show such an abnormal increase in the working expenses of the railways and to go in for the cut that has been proposed by my friend, Mr. Ginwala. I think we may experience a sniff such as we experienced when we proposed a cut in the Customs expenditure, but I would request the Honourable Members who are in the habit, I think, of vying with each other in outbursts of admiration to remember that these sniffs ought not to be allowed. We now have the fiscal autonomy; and the executive Government has no business to seek to minimise that privilege. If, for instance, we are told that although we pass any Resolutions, we may take it no effect will be given to it we might, I think, very kindly but very firmly put our hand down on any nonsense of that kind. I would request the House to bear this in mind and go boldly forward proposing cuts in all exceptionally irregular expenditure. It is no use enduring abnormal expenditure any longer. The finances of the country have been disorganised, and we realise on studying facts and figures that it is time and high time that we intervened and boldly came forward to suggest necessary reductions of expenditure. If we feel convinced that the reduction in expenditure proposed by us is reasonable, we need not be afraid of any threats that may be held out to us. Excessive expenditure has been a continual theme of discussion in the country, and every effort must be made to end it.

Sir Montagu Webb (Bombay: European): Sir, I find myself in considerable sympathy with the Mover of this motion. I think that the recommendations which Lord Inchcape's Committee have made, are

[Sir Montagu Webb.]

deserving of the most serious study revealing, as they do, in the Railway Department, opportunities for many savings and retrenchments which I trust Government will be able to make. At the same time, I must point out that the Lord Inchcape's Committee have made recommendations for very severe retrenchments both in regard to the expenditure from capital which comes out of loans and expenditure from current revenue in respect of maintenance and working expenses. These proposed retrenchments are so severe that I am quite sure that will cause much anxiety among many of the sections of the community who make great use of the Railways. I should like to draw attention to one or two matters which show that all the statistics quoted by Lord Inchcape's Committee cannot be accepted at their face value so readily as my Honourable friend, Mr. Shahani, would have us to believe. Now the Retrenchment Committee have prepared a statement of ten of the leading Railways of India showing their receipts and working expenses; and as a result of that statement we find that the most unremunerative Railways in India are the North Western Railway, the Eastern Bengal Railway and the Oudh and Rohilkhand Railway, all of them, be it noted, State-managed Railways. I have no doubt that the advocates and also the opponents of direct State-management will take careful note of this fact. Of these "unremunerative" Railways the worst is the North Western Railway,—according to the Report of the Retrenchment Committee. Not only is it the worst statistically, but it is accused of "extravagance" in more than one department.

Now I want to draw the attention of the House to one or two important facts in this connection. The North Western Railway is the main arterial system of the Punjab and Sind, so that anything that is done that affects the efficiency of that Railway, must check the development of the Punjab and Sind. The first point I would like to draw the attention of the House to is this. In the North Western Railway system is included over 1,500 miles of strategic railways. These railways are maintained not for the benefit of the North Western Railway, not for the benefit of the Punjab and Sind, but for the benefit of *all-India*.

The second point to which I want to draw the attention of the House, is that the North Western Railway has to maintain locomotives and stock in order to be prepared for mobilization,—in case there is any difficulty in the North-West Frontier. That again is a matter which does not solely concern the North Western Railway the Punjab or Sind; but it concerns the whole of India. These two points are briefly referred to by the Retrenchment Committee, but I submit, Sir, that the importance which they deserve has not been adequately recognised by the Committee. But there is a third matter of far greater importance. As Honourable Members of this House are no doubt fully aware, the North Western Railway serves one of the largest wheat-growing tracts in the British Empire, possibly one of the largest wheat-growing tracts in the world. For the last three years, Sir, the export of wheat from India has been prohibited partly for economic reasons and partly for political reasons, and the result has been that the North Western Railway has been deprived of a very large portion of its

12 Noon long distance traffic. Most of this long distance wheat is conveyed 800, 900 or 1000 miles to the sea board. Now, Sir, statistics which altogether ignore the fact that one of the main sources of income of the North Western Railway had been checked owing to the prohibition of exports of wheat, statistics that do not take into account rolling stock for mobilization purposes or the 1,500 miles—think of the

figure Sir,—1,500 miles of “strategic” railways maintained for the benefit of all India, can you be surprised that such statistics of the last three years are not very satisfactory? I submit, Sir, that no reliance as to whether the North Western Railway is “unremunerative” or not, can be placed upon figures which omit these considerations. If these considerations be fully weighed, and if we exclude the “strategic” railways and the mobilization consideration, I am confident that the North Western Railway on its commercial sections can earn 5 per cent. and more than 5 per cent. when normal conditions are restored. I would therefore ask the Government of India and the Commissioner for Railways in particular to be extremely careful how he accepts any recommendation of restricted expenditure on the North Western system on the ground that it is “unremunerative.”

In the same way, Sir, I do not think that any reliance can be placed upon the figures which were quoted by my friend, Mr. Shahani, comparing the period immediately after the close of the war with the present day. We all know the reason why expenses of all railways and of all other businesses have greatly increased. It is also common knowledge that in this country that our Railway officers in the *highest* grades receive salaries on a far lower scale than is paid to officers of similar grades in other parts of the world, particularly in America. (Mr. Shahani: “Question.”) If my Honourable friend who says “question” will investigate this matter himself he will find that what I have said is a fact. These are the reasons, Sir, which impel me to urge Government to exercise great caution in accepting the recommendations of the Retrenchment Committee in the matter of cutting down expenditure on renewals and maintenance and on capital outlay on the North Western Railway.

At the same time I confess when reading the Retrenchment Report, I do feel that Government ought to be able to save more than three crores of rupees on Railways; and although I am not prepared to jump quite so far as an additional cut of four crores which my friend, Mr. Ginwala, urges—I was not quite able to follow his figures fully,—still I do hope that Government will see their way to make a saving of more than the three crores which have been put down in the amended Demand.

Mr. B. S. Kamat (Bombay Central Division: Non-Muhammadan Rural): Sir I support Mr. Ginwala's amendment although I cannot accept his figures. Mr. Ginwala proposes to cut down 4 crores of rupees from the original demand as put forward by the Finance Member. That demand stands at 67 crores 47 lakhs. Mr. Ginwala, I think, wants 4 crores cut down from that. (Voices: “No, no. Four crores more. Cut down to 63.”) In that case, Sir, I shall confine myself to my own amendment in which I propose that the demand for railways should be 64 crores as recommended by the Incheape Committee. Without formally moving my amendment I shall just speak on the general question of railways.

The Incheape Committee's Report, so far as the question of railways is concerned, has been a great eye-opener to me. That report gave me two good lessons. One was with respect to the exploding of certain military shibboleths, and the second was with reference to the railway budget. The story of waste, extravagance and negligent management which I believe the Incheape Committee has unfolded ought to be a lesson to every Legislator in this House and to Government as well. I attach a great deal of importance to the remarks made by the Incheape Committee about these matters for the simple reason that I believe that

[Mr. B. S. Kamat.]

our general national finance depends upon railway finance. And further, the difference between solvency and insolvency, between a deficit and a surplus, from year to year, depends greatly upon the vigilance which both Government and this House exercise on the railway budget. Now, the Incheape Committee has indicated directions in which the waste to which I have just referred goes on. Taking only one head, for instance, the Working Expenses and out of that the railway programme Revenue Expenditure they have pointed out how engines, for example, are actually lying surplus to the requirements of the railways and yet we are going to spend this year a great amount of money on engines. Taking only the revenue account of expenditure, in revenue account alone I believe Government propose to spend something like 12½ crores, or, if we follow this memorandum, 11½ crores of rupees on revenue programme expenditure, and out of that I find that Government want to spend on engines alone 1.66 crores; they want to spend on coaches 95 lakhs and on wagons they want to spend 1.23 crores, making a total of 3.84 crores of rupees on rolling stock and engines. Now, the House must bear in mind that in addition to expenditure on engines and rolling stock from revenue account, we gave Government authority to spend a capital sum of something like 38 crores of rupees, a big item which will react on the purchase of engines and rolling stock from the revenue account. I know we are not going to discuss to-day the capital side of the 38 crores of rupees, but that fact has some bearing on this sum of 3.84 crores for the simple reason that the Incheape Committee has definitely told us that the number of engines and rolling stock, with reference to the needs of the railways, is in excess of requirements and yet we are going to spend 3.84 crores on engines and rolling stock in addition to the amount we shall spend from the capital account. Now, I know from the capital account we are going to spend in England something like 28 crores of rupees; in India we shall spend only 10 crores. Out of that 28 crores I certainly think that a large amount will be spent on engines and other rolling stock, and I ask the House and the Member in charge of this Department whether it is necessary to go in for this purchase of engines and locomotives in spite of the fact that the Incheape Committee has told us not to do so on certain railways.

My friend, Mr. Ginnwala has referred to the great waste under the head of the staff and that a saving could be made if we followed the recommendation of the Incheape Committee. Then in connection with renewals again the Incheape Committee's recommendations reveal the same tale. Now, if renewals are to be carried out on the scale which the railways are pursuing at the present moment, I believe it will lead to an extraordinary amount of wastage on many of the railways. I believe it will mean an extraordinary amount of wastage on many of the Railways. I do think this is a year when the renewals ought to be a little bit restricted in view of the fact that we have a very large deficit. The expenses on the traffic account also are, as the Incheape Committee have pointed out, extremely heavy; and on the whole, on all these sides, the Locomotive Department on the traffic side, and on the general administration side there is plenty of room for the cutting down of the whole thing. Indeed if the whole of the recommendations are carried out in full, there ought to be a great deal of saving, as we have seen; and if the objection be that there ought to be a certain amount for "lag", the only reply to that is that probably we shall be able to save in many more directions than what Government are proposing to do themselves; further in the second place, I wish to point

but that our receipts are likely to improve far better than what Government anticipate. My reasons for this view are these. In 1921-22, in spite of a bad year so far as trade was concerned, the receipts from railways were something like 81 crores of rupees. We have increased since then both the fares and the freight charges by say 25 per cent. Very well, if 25 per cent. is added to 81 crores, the receipts in 1921 it ought to be say 101 crores, not 95½ crores as the Government are forecasting. I know that probably there are one or two adverse circumstances, but we have a set-off in one or two favourable circumstances. In the first place, during the next year this increase in rates, both in fares and freight charges, will work throughout the 12 months. Last year it did not work throughout 12 months; and in the second place, there is the revival in trade. In 1921-22 the trade was very very slack compared to the next year, I expect. Therefore, on the ground that there is going to be a better revival of trade, and secondly that the new increased rates are going to work throughout the 12 months, there is every reasonable prospect that instead of our realizing 95½ crores, it is possible, if the whole 25 per cent. increase works that is one-fourth of the additional amount comes in, we shall expect receipts to the extent of something like 101 or 102 crores instead of the 95 crores—an increase of 6 or 7 crores. No doubt the whole thing will depend on the monsoon, but I do think on the whole that Government have underestimated their railway receipts, and there is a great deal of margin to cover the lag, or even to cover some of the drastic cuts which my friend, Mr. Ginwala, wants to carry out. It is possible, in spite of the Incheape Committee's recommendations, to carry the economies still further, and although they recommend 4 crores 50 lakhs, it is possible to carry it out still further and to cover it by the expected receipts from railways to which I have drawn the attention of the Honourable Member. On these grounds, I support the large amount of cuts on the railway Demand which has been proposed.

The Honourable Mr. C. A. Innes: Sir, Mr. Kamat has said that the first lesson he learnt from the Incheape Committee's Report on Railways was that there had been waste, extravagance, and negligent management in the administration of those Railways. I propose, Sir, first to take up that point with reference to the Report of the Incheape Committee, and then later to deal with Mr. Ginwala's somewhat extraordinary motion. Now, Sir, as regards this Report of the Incheape Committee, in many ways it is a most valuable report. It has made suggestions which undoubtedly must be followed up, and will be followed up, but the Report has given rise to these remarks made by Mr. Kamat and also made by Mr. Ginwala, and that being so, I must claim liberty to defend the Railway Department against the criticisms made in that Report. The scheme of the Report is that it compares the working of the Indian Railways in 1913-14, with the working of the Indian Railways in 1921-22 and 1922-23. That was the method adopted by the Incheape Committee in dealing with all the Departments of the Government of India. It was a rough and ready method, naturally it was the only method that the Incheape Committee could adopt having regard to the time which they had at their disposal and the immense task which lay before them. Also, I may point out that it was a quite suitable method for adoption in regard to non-commercial Departments. But I dispute entirely the suitability of a method of that kind when you are dealing with a commercial subject like Railways. The Railways depend for their prosperity upon the trade of the country, the state of the trade in the country

[Mr. C. A. Innes.]

and it is not fair to judge the working of the railways by comparing the figures of two years taken in isolation. Railways are a going concern and you have to judge them by their working over a series of years. The unsuitability of this method becomes all the more apparent when you consider the exact years selected for the purpose of comparison. As I have said, a railway depends for its financial results entirely upon the state of trade in the year; that is to say, it depends upon conditions entirely beyond its own control. Now, the first year taken for the purposes of this comparison is 1913-14. That was a year of record trade, record prosperity. The other years taken are 1921-22 and 1922-23. Those are years when India is in a trough of post-war depression. Now, let me prove that assertion. I will take as my criterion the import and export trade of 1921-22, as compared with the import and export trade of 1913-14. I have just got a proof copy of the Review of Trade for 1921-22. In that Review of Trade, the trade of that year has been re-valued at the prices in 1913-14. Now what does it show? It shows that there has been a drop in trade amounting to 121 crores of rupees. Again in 1919-20, there was a decrease in trade, as compared with 1913-14, of 128 crores; in 1920-21 a decrease of 113 crores. Now there you see the first explanation. You take one of the worst years you ever had, judged by the volume of trade, and you take one of the best years you have ever had, you lay the figures side by side, you hold up your hands in horror and say, 'how shocking!' It is not fair to the railways; nor does the story end there. Not only, as I say, are we in a trough of post-war depression, but also we are in the throes of rehabilitation. Everybody in this House knows that during the war years the Government of India took everything it could out of the railways and put nothing back. The consequence is that we are faced now with arrears of maintenance and arrears of renewals. Moreover, we have to buy the materials for that maintenance and for those renewals at topmost prices. Mr. Ginnwala talked about the drop in prices. But we do not get the benefit of that drop in prices for a year or 18 months. We are passing into use now materials brought when prices were absolutely at their highest pitch. And what does that mean? Let me give you one instance. In 1913 the price of a ton of finished steel in England was 113 shillings, at the end of 1920 it was 359 shillings: and it is the same with every other material. Sleepers have gone up, from Rs. 4 for deodar to Rs. 8-8, sal sleepers Rs. 5 to Rs. 8-8; rails, in 1913 Rs. 130 a ton I think, now Rs. 158. and so on with all materials, and finally during the war, as everybody knows, the purchasing price of money decreased, with the result that there was an immense increase in the wages Bill. So there you have got your first explanation: arrears of renewal and maintenance to be completed, with materials purchased at topmost prices; a heavy increase in the wages Bill, combined with a period of great trade depression. Is it surprising that if you compare the figures of these last two years to the figures of 1913-14, a year of record prosperity, the results appear somewhat startling? But is that peculiar to Indian Railways? Certainly not. I have here an extract from the report of a speech made by the Chairman of one of an important British Railway Companies. What he said was this speaking in the year 1922:

"The volume of traffic both in passengers and goods was smaller than in 1913 and there was a corresponding reduction in train mileage. Our working costs had risen to more than double the 1913 costs."

That is precisely what has happened in the Indian railways. In paragraph 1 of the Inchcape Report it is stated that the working expenses have gone

up since 1913-14 by 131 per cent. If you exclude our programme revenue expenditure, that is our special expenditure from revenue upon renewals, the figure is 114 per cent. That is roughly what has happened to British Railways according to this Chairman or one of the important British Railway Companies, namely, that the working cost had gone up to more than double. If you apply the same method to the accounts of that company, if you point out that their train mileage had decreased considerably and their working expenses had gone up by double, you get very much the same results as the Inchcape Committee has brought out against the Indian Railways. Now, taking a broad view, has the management of our Railways been so disgraceful as Mr. Ginwala would make out? As I have said, you cannot take Railways and judge them by the working of single years; you must judge them over a series of years. Now, what has India made from Railways in the years since 1916-17? It has made a net revenue of over 46 crores of rupees. In the last three years naturally we have not earned our interest, we have not covered our interest charges. The figures given in this report are wrong, because in 1921-22 it shows a loss of 9 crores of rupees; but it is not a real loss. You took 6 crores out of the Railways in the shape of surtax. It came out of Railways. So, if you take that 6 crores, your loss that year was 3 crores. This year it is $1\frac{1}{2}$ crores, and next year we hope it will be smaller still. We hope to cover our interest charges and get a little more. Over this series of years the Indian Railways have been paying the Indian tax-payer a net revenue of 6 per cent. Is that so bad? Compare then the operating ratio of these Indian Railways with the operating ratio of Railways in other countries. I have the figures here. Now, Sir, the operating ratio of the Indian Railways in 1921-22 was 80 per cent. If you give us credit for surtax you took out of us it is 75 per cent. In 1922-23 it was 72 per cent. In 1923-24, we hope to bring it down to 69.5 per cent. In 1920, the operating ratio for the

Canadian Railways was	...	...	97 per cent.
English Railways	...	...	98 "
France, Northern Railway	...	...	140 "
Eastern Railway	...	...	121 "
Paris-Lyons-Mediterranean	...	...	115 "
State Railways generally	...	...	157 "
Belgian Railways	...	...	135 "
Italian Railways	...	...	137 "
Norwegian Railways	...	...	102 "
South African Railways	...	...	78 "
Japan Railways	...	...	65 "
New South Wales	...	...	73 "

In 1921 the figures are almost equally startling.

Canadian Railways	...	...	92 per cent.
United Kingdom Railways	...	...	104 "

Mr. B. S. Kamat: Are the amount of comfort and facilities for third class passengers just the same?

The Honourable Mr. C. A. Iunes: French Northern Railway 100 per cent. I have shown that in our working for the last six years we have paid 6 per cent. If you judge us by our operating ratio compared with the operating ratio of the Railways of other countries, you find that we are better than most of them. If you take into consideration the fact, as I said now, that during a period of trade depression we have got to spend

[Mr. C. A. Innes.]

money on the recommendation of our expert Committee, the Acworth Committee, on the rehabilitation of the railways, if you take this special expenditure, if you take into account the enormous increase in the price of materials and the enormous increase in wages and salaries, you find that the case against the Indian Railways is not nearly as black as Mr. Ginwala would have it.

Now, Sir, we come to the actual recommendations of the Incheape Committee. I will deal with Mr. Ginwala later on. Their first recommendation is that steps should be taken to curtail working expenses. That recommendation is made in paragraph 22 of the report, and it is suggested that at least a saving of one crore should be effected. This is what they say :

" We recommend that a further saving of at least Rs. 1 crore should be effected in salaries and wages in 1923-24."

I do not mean to say that there is no scope for reduction in wages. I do not take that attitude. We are prepared to do our best to make these reductions. But I should like to examine the arguments on which they have based their recommendation. In paragraph 22 they give a statement of the staff. They show increase in that staff, and they also make a mistake. They say that the increase in the technical and industrial staff is 38 per cent. If you examine the table, you find the increase in the technical and industrial staff is only 27 per cent. On the one hand, therefore, you have got an increase in staff amounting to 27 per cent. On the other hand, you have an increase in passenger traffic amounting to 21 per cent., increase in your goods traffic, which taken in bulk only amount to 8 per cent. If you take goods traffic in terms of ton mileage, the increase is 41 per cent. In addition you have got a very large increase in your Capital expenditure, a very large increase in your programme revenue expenditure, necessitating obviously increased staff. You have more Capital expenditure, more works going on and therefore it means more staff. Therefore, the argument as it stands is not particularly a strong one. Stress is also laid on the fact that the Agent of the Great Indian Peninsula Railway has recently effected a reduction of 50 lakhs. I should like to inform Mr. Ginwala that the reduction has already been carried out in the Budget. Well, Sir, I am very glad to see that the Agent of the Great Indian Peninsula Railway has effected that reduction, for the working of the Great Indian Peninsula Railway as judged by its operating ratio is certainly more extravagant than that of other lines. Judged by the figures for 1921-22, the Great Indian Peninsula operating ratio was the highest of all important lines in India, higher even than the North-Western Railway in spite of the special circumstances of the North-Western Railway which extends over a very large area. In 1922-23 the operating ratio of the Great Indian Peninsula, the ordinary working expenses excluding programme revenue expenditure was higher than any other big railway. This year they have got it down, though it is still high. Therefore, the argument based upon the increase of staff, which I have explained, and what the Great Indian Peninsula has been able to do, is not a particularly strong one. Still, as I have said, we are prepared to explore every possible avenue, and I do not wish to be misunderstood. There are many valuable suggestions in this Report which we will examine and follow up as closely as ever we can, but we cannot undertake to make too rapid, too sudden and too drastic reductions in matters of staff. I am glad to say, since the strike on the East Indian Railway last year, we have had a very quiet

year on the railways. But we have had signs of trouble on the Bengal Nagpur Railway owing to reductions of staff, and we have just had a protest from the Great Indian Peninsula staff against the reductions made. It is a specially delicate subject on which I do not want to say too much, but the House must realise that drastic and sudden reductions of staff may have very undesirable results on the railways. That is why we have only made a reduction of half a crore in the ordinary working expenses because we have to allow for time to carry out this reduction

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): How much has been allowed out of one crore?

The Honourable Mr. C. A. Innes: Half a crore. Then I come to this programme revenue expenditure. I would like the House to remember that early last year, in 1921, we had an elaborate examination of our Indian railways by special committee containing many railway experts, who spent over a year travelling about India examining the subject and writing a report which generally commanded very great respect throughout the country. On the one hand you have got to remember that you had that expert report written after a very long inquiry in the country. On the other hand you have got a Committee of six very distinguished, very authoritative business men devoting just the small fraction of three months to the subject of railways. What was the whole burden of the Acworth Committee's Report? The first point the Acworth Committee made was that even in 1913-14 our railways were totally inadequate to the needs of the country. They pointed out that in 1921 the position had become ever so much worse. The whole of Chapter II of this Report contains extracts of evidence from all parts of the country complaining of the paralysing effect upon trade of the inadequacy of our railway system. In one case there was a complaint that enormous losses had been incurred in Calcutta because seeds could not be moved up by the East Indian Railway to fulfil contracts; and there have been complaints of that kind from every part of the country. The Acworth Committee found that this was due to two causes. In the first place the railways had not looked far enough ahead. In the second place the Government of India had starved the railways during the war and had not taken the necessary steps to keep the railways up to the mark and to put in a proper amount of renewals. Let me read what the Acworth Committee said (page 30):

"There are scores of bridges with girders unfit to carry train loads up to modern requirements; there are many miles of rails, hundreds of engines, and thousands of wagons, whose rightful date for renewal is long overpast."

They go on to say that what the Government had done by not providing money for these renewals was merely to postpone the expenditure. It was a liability which would have to be faced. Well, Sir, we considered this subject most carefully last year and I thought that the policy of the Government of India, a policy inaugurated, I thought, with the full approval of this House, was that we should make a real effort to overtake these arrears, that we should make a real effort to put our railways into proper order, to rehabilitate them, to make them fit not only to carry the traffic at present, but also to make them fit to carry the traffic of the future, and that is what we are trying to do. That is the policy which we are now engaged upon. It may be that we have made mistakes with particular railways. It may be that we have been too enthusiastic in some respects, but the whole policy which we undertook, I say with the approval of this Assembly, was to make a real effort to effect these renewals as

[Mr. C. A. Innes.]

quickly as we could and to briag these railways up to the mark, and that is the policy on which we are now being attacked, not by the Inchoape Committee mind you, but by Members of this House. The first suggestion they make is that we should distinguish between unremunerative railways and remunerative railways. That seems to me a somewhat doubtful proposition. Naturally it has been received with great respect since it comes from this very authoritative Committee. But I do regard the proposition with a certain amount of doubt. It is no use quoting to me the experience of England in this matter. England has its railways converging on London and running out to the various ports. In India the thing is entirely different. Our railways depend on each other for their trade. The East Indian hands over to the Great Indian Peninsula at Jubbulpore, and the Great Indian Peninsula hands on to others. They are all exchanging traffic between one another. Shall we say some of these are remunerative and there we will put money into them and not into the unremunerative railways? What is the result going to be? Let us go back to history and look at it in the light of what happened in the war. This Chapter II of the Acworth Committee's Report is full of complaints from one railway that the other railways could not receive traffic from them. I will just quote one instance. It is an instance I may make use of later. On the Great Indian Peninsula Railway, which figures largely in this Report, "inwards traffic from the East Indian, Bengal Nagpur, Bombay, Baroda and Central India, Madras and Southern Mahratta, Nizam's Guaranteed State and other railways is restricted at 15 junctions to form 600 to 30 wagons daily."

That is to say you would have the East Indian rehabilitated, able to carry its maximum amount of traffic, and yet the Great Indian Peninsula unable to take over its due quantity of traffic from the East Indian, and unable to hand to the East Indian the amount of traffic it can carry. That is the first point I want the House to remember. And the second point is, I would like to follow up Sir Montagu Webb's suggestion about the North-Western Railway. That railway is being condemned in this Report as an unremunerative railway. In 1913-14 the North-Western Railway carried 1,300,000 tons of wheat and it carried that wheat a long distance mostly to Karachi. In 1921-22 the North-Western Railway carried 500,000 tons of wheat and it carried that wheat only short distances, most of it to other railways. That is one of the reasons why the North-Western Railway is not doing very well at present. Take the Eastern Bengal Railway. In 1913-14 the Eastern Bengal Railway carried over 1,100,000 tons of jute. In 1921-22 it carried 300,000 tons of jute less due to reduction in the cultivation of jute. Sir, I think I have shown that the suggestion that we should treat certain railways as unremunerative is a suggestion which is to be approached with a certain amount of care. Then we are up against the practical difficulty in this matter that it is extremely difficult to make a sudden cut in programme revenue expenditure. This programme revenue expenditure is being carried on in accordance with a programme which has been sanctioned. A good deal of material which was ordered last year will arrive this year and will fall due for payment. The first preliminary allotment was made to railways as far back as November because we had to give them, in accordance with the recommendations of the Acworth Committee, as much time as possible. We do not know what our actual commitments are compared with the amount provided in the budget, so it is very difficult for us. It is taking a risk even to make this cut of 2½ crores

from programme revenue expenditure because we cannot say exactly what our commitments are. We may be able to cut down this expenditure, but it is a very serious thing to do. As the Acworth Committee pointed out, capital expenditure and revenue expenditure are inextricably mixed and if you cut down the programme revenue expenditure too much you may not be able to make full use of your capital expenditure. You may have locomotives or whatever it may be arriving and may be unable to put them on to the line because we cannot provide the necessary revenue expenditure.

Rao Bahadur T. Rangachariar: May I ask what your revenue programme now is. You budgeted for 11½ crores.

The Honourable Mr. C. A. Innes: We have taken off 2½ crores.

Rao Bahadur T. Rangachariar: It is now only 9 crores.

The Honourable Mr. C. A. Innes: That is right, the same as recommended by the Inchcape Committee.

Rao Bahadur T. Rangachariar: The Committee recommended 9 crores and you have adopted that figure.

The Honourable Mr. C. A. Innes: Yes, I have tried to deal as well as I could with certain general aspects of the problem raised in the Inchcape Committee's Report. Let me come now to Mr. Ginwala's amendment, and I hope, Sir, you will excuse me if I go beyond my time. Mr. Ginwala's speech, if I may venture to say so, is an almost entirely cynical speech. I felt greatly in doubt as to whether I was intended to take it seriously or not. Let me quote just one phrase from the speech. He said that the Inchcape Committee consisted of very prominent business men. He went on to say that they knew what they were talking about and then he proceeded to say but they forgot to say it. Now, Sir, the Greeks had an expression which exactly summed up that remark of Mr. Ginwala's. It was called an *oxymoron*, and I will explain it later to Mr. Ginwala. Does anybody in this House suggest that this business Committee, composed of Lord Inchcape, notoriously one of the greatest business men in the world, and 5 of our leading business men in India forgot to say what it really meant? Surely the House, Sir, will see it is nonsense. We have carried out to the very best of our ability the recommendations of the Committee. We have fallen half a crore short, I admit, because we have to allow for lag, but I should like to say that, though we have carried these reductions out, we have done so with great hesitation, because we are extremely doubtful whether it is practicable to cut down the staff as suggested by the Committee and whether it is actually practicable to reduce the revenue expenditure in view of commitments already existing. However, we have done our best. Does anybody in this House suggest that we have got to go beyond this and deduct over another 4 crores? On what ground? Mr. Ginwala suggests in the first place—I am not sure that I understood this—that, because our revenue this year was less than we expected, therefore, there ought to be an automatic reduction in our working expenses. Next year, we hope to get a revenue much bigger than our revised estimate of revenue this year, and Mr. Kamat has suggested that it might go up to 100 or 101 crores. If it does go up to 100 or 101 crores, then on Mr. Ginwala's argument we ought to provide a very much larger sum for working expenses. (A Voice: "That is our only hope for it to go up.") Then he suggested that

[Mr. C. A. Innes.]

we could get 1½ crores out of reductions in staff, that is one crore recommended by the Committee and 50 lakhs already proposed, as he put it, by the Agent of the Great Indian Peninsula Railway. Well, Sir, the Agent of the Great Indian Peninsula Railway has already made that reduction of 50 lakhs in his budget for the coming year. Then, Sir, Mr. Ginwala suggested that we should effect another large reduction in fuel. We have already made an arbitrary reduction of one crore on the revised estimates of last year. Here again Mr. Kamat tells us that we are going to have a very large increase of trade and traffic; that again means a very large increase in our fuel expenditure. As regards this fuel, you have got to remember that we are bound by contracts. We have got to pay the price in those contracts, and fuel does not offer very much scope for reduction unless we can effect economies. Here, I should like to correct a mistake in the Committee's Report. They said that we did not take steps to watch the consumption of fuel in our locomotives. That is not correct. I understand from Mr. Hindley and from the Chief Mechanical Engineer, Railway Board, that the consumption of fuel in locomotives is checked most carefully and that the increments in the pays of drivers depends upon economy in their consumption of coal. Then again Mr. Ginwala said that the drop in prices ought to be able to lead to a very large reduction. I have just explained that we do not get the benefit of that drop in prices for a very considerable period. It takes from a year to 18 months to get our materials out from Home, and we are now receiving materials which were purchased at the very high prices of a year or 18 months ago. Mr. Ginwala also made great play with paragraph 12 of the Report. He drew a picture of the Railway Board forcing upon an unwilling Agent expenditure which had no right to be incurred. Well, Sir, the facts of that case are these. The Great Indian Peninsula Railway, as I have just explained, has been allowed to get into rather a bad state, I will not put it higher than that. I have already read out a paragraph from the Acworth Committee's Report which showed that at 15 junctions the traffic had to be restricted owing to the lack of capacity of that line. We know that the line is not in good order; we know also that the Great Indian Peninsula Railway Company has not got very much longer to live and naturally the Company under these circumstances—I am not accusing the Company of anything—look more to getting revenue than to keeping their line in good repair. Surely it is the business of the Railway Board to see that a line which is our property is kept in good condition. In this particular case I have no doubt at all that it was a fair difference of opinion. The Agent thought that this particular line could be propped up so as to last for a further period. The line was inspected by our Senior Government Inspector and he was of opinion that it ought to be renewed. One of the Members of the Railway Board also went over it and the Railway Board for technical reasons definitely thought that the line ought to be renewed. That is the whole secret of that particular paragraph of the Report. I should like to challenge the statement that it is not the proper function of the Railway Board to insist on expenditure against the advice of the Manager and Engineer of a railway. It is the proper function of the Board, I say, to see that the Agents and Engineers of Company Railways maintain our property in good condition, and I am quite sure that I will have the whole House behind me in that remark.

Well, Sir, I am afraid I have detained the House a very long time, but I hope that, in the circumstances of this case, the House will excuse me, and I do hope also that the House will not insist upon this further reduction

of 4 crores. We have done our very best to carry out the actual recommendation made by the Inchcape Committee with reference to the budget of the coming year and I say that it is perfectly useless for Mr. Ginwala or for anybody else to get up now and say "the Inchcape Committee did not mean that; they meant you to take off another 4 crores". We have carried out their reduction; we are quite prepared to follow up their other suggestions for economy and we may be able to effect economies; but I must say definitely that we could not accept responsibility for another reduction of 4 crores. With reference to what Mr. Shahani said, it is perfectly true that this House has a right to make that cut if it so pleases. And I do hope that the House will not think that we in any way resent the criticism we get on these Budget Demands. We do not. We value them very greatly. On the other hand, it is we, it is Government who has to take the responsibility. I am advised by the Chief Commissioner—and he has examined the question most carefully—that we could not possibly run the railways if this extra 4 crores is cut out. It would not be a real reduction of the deficit and I do hope the House will not put me again in the difficulty they put me in yesterday. Yesterday they put me in the difficulty of refusing me the money which I know to be necessary for the administration of the Customs Department. What am I to do there? Am I to go to His Excellency the Viceroy and ask him to restore it? I hope the House will not put me in the same difficulty in this matter. I think they will realise that we, on the Government Benches, have tried to co-operate with the House during the last three years; and I do put it to the House that this motion moved by Mr. Ginwala is not a motion which should be accepted by the House, and that if the motion is accepted by the House, I do not believe that it can be carried out, and if it is carried out, it means, in the first place, that train services will, probably must, be cut down; and, in the second place, we are almost certain to have the gravest possible labour unrest all over the railways by the immense reduction in staff which the making of this cut would necessitate. In these circumstances, Sir, I hope the House will reject this amendment.

Rao Bahadur T. Bangachariar: Sir, I am in a somewhat difficult position even after the elaborate explanation of the Honourable Mr. Innes. I quite realise that he was in a difficult position as he had to defend the Railway Board against the Inchcape Committee's Report and the criticisms founded thereon. What we are now immediately concerned with is the Budget for 1923-24. I should have received considerable help in forming my own opinion if the Honourable Mr. Innes had told us under this head and this head the Inchcape Committee made this recommendation; we have carried out that recommendation to this extent under each head, and under the other heads we are unable to carry it out, or how far we have been able to carry out, their recommendations. It is that aspect of the question on which I would like to have information. Probably in the lengthy explanation he had to give he forgot this point with which we are now concerned. I think Mr. Ginwala and the Honourable Mr. Innes are at cross purposes in this matter, due to a misunderstanding perhaps of the Inchcape Committee's recommendations. As we understand those recommendations, they have recommended a cut of 4.59 crores irrespective of the 3 crores recommended under Programme Revenue and also the 1 crore they recommend under Establishment. They recommend 1 crore addition under Establishment; and they recommend 3 crores reduction in the programme of revenue and expenditure by bringing it down to 9 crores from 12.50 crores. We also understand that they recommend a saving of 1 crore under Fuel.

The Honourable Mr. C. A. Innes: We have done that: that is carried out.

Rao Bahadur T. Rangachariar: We should like to know how the 4.59 crores recommended by the Inchcape Committee is made up, what it comprises; and there are also other paragraphs in the Report which make certain recommendations which we fear have not been carried out and are not included in the 4.59 crores. If the 3 crores are included in the 4.59 crores; if the 1 crore under Establishment is included in the 4.59 crores; then what is really the retrenchment that has been effected? What about the Fuel 1 crore?

The Honourable Mr. C. A. Innes: That is carried out in the Budget?

Rao Bahadur T. Rangachariar: What about the 3 crores and the other 1½ crores, including the Great Indian Peninsula Railway, which with 1 crore under Fuel make 5½ crores. There are also other savings which they expect under stores and other things. All this must be more than 4.59 crores. So we are in this difficulty. I have been very carefully reading this Report and I have not been able to make out how this 4.59 crores is made up; what they have taken into account in arriving at this figure. There are several paragraphs in the Report which recommend further reductions, but we fear these have not been taken into account. If that can be explained, probably this misunderstanding of which I spoke will disappear. This recommendation of Mr. Ginwala is not a recommendation made at random. We think we are carrying out the recommendations of the Inchcape Committee, and if we really are satisfied that we are not carrying out the recommendations of the Inchcape Committee, it is better that the House should be informed in that matter.

I may draw the attention of the House to this paragraph at page 80 of the Retrenchment Committee's Report:

"We have discussed this Report with the Chief Commissioner of Railways who accepts the conclusions of the Committee in the present circumstances. Reductions in the Railway Budget are unavoidable. Naturally we may find it convenient in working up to them to make certain alterations in the method of arriving at them and this, we quite realise, he is in general agreement with many of our recommendations."

So that I did not expect this outburst of criticism on the part of the Honourable Mr. Innes against the Inchcape Committee's recommendations when we find the Chief Commissioner was in agreement with them. And in fact they proceed to say:

"The Chief Commissioner was good enough to say that he considers the Report extremely valuable."

The Honourable Mr. C. A. Innes: I said that too.

Rao Bahadur T. Rangachariar: With that certificate from the authority responsible for the running of the railways, I was rather surprised at the criticism levelled at this Report by the Honourable Mr. Innes. In fact, my Honourable friend relied a great deal on the Acworth Committee's Report, but I find that two of the Members were Members of both Committees, and therefore they could not have forgotten what they wrote as Members of that Committee. We on the other hand are inclined to attach the greatest importance to the recommendations made by the Inchcape Committee. We are trying to see if we can balance the Budget. That is the plain truth. We have got to reduce the Budget by hook or by crook, so long as it is a

straight crook—not by misunderstanding each other; we do not want to misunderstand each other. Let us understand the facts correctly.

Now, Sir, one other matter I may mention, and it is this. Last year we were asked to vote 73,67,00,000 for the working expenses of the railways. The voted expenditure was Rs. 73,67,00,000, and the non-voted expenditure was Rs. 20,96,00,000 whereas under the voted head we were asked to vote 6½ crores more than what was actually needed. If Honourable Members will turn to pages 2 and 3 of the revised statement furnished to us a few days ago, Honourable Members will see that in column 9, page 3, the amount actually spent out of the amount voted by us is Rs. 6,61,00,000,—that is less than what we were asked to vote. Why was that extravagant estimate made last year? On the other hand, I find under the non-voted expenditure, they have increased it by 6 crores, because from 20 crores they have increased it to 26 crores. They seem to be budgeting extravagantly in the Railway Department when they ask us to vote more than what is really needed for expenditure. I therefore think on these points

a clear explanation is needed; otherwise I should be bound to
1 P.M. support the motion for reduction.

Captain E. V. Sassoon (Bombay Millowners Association: Indian Commerce): Sir, I would like to preface my remarks by saying that I do not support Mr. Ginwala, partly because I do not quite understand his figures, and partly because I, like him, have a great deal of respect for the members of the Retrenchment Committee, and I do not think that had a further cut of 4 crores been justified they would not have made different recommendations to what they did. I rather follow the lead in this case of Mr. Kamat who suggests that we should follow the recommendations of this Committee. I understand from what Mr. Innes has said that the Government are prepared to do that. If I am right in my calculations the Inchcape Committee suggested that a sum of Rs. 64 crores should be sufficient for the provision of working expenses including surplus profits and if I am right I gathered that the budget to-day has made a cut of 50 lakhs less than the recommendation of the Inchcape Committee; that is to say, they have reduced the Inchcape cut by half a crore, roughly speaking. But I would like to draw the attention of the House to the remarks at page 77 of the Inchcape Committee Report in which they point out that they think that much greater reductions can be effected in the near future, and I therefore am not satisfied that it would be impossible for the railway administration to make further reductions to counteract this lag and my feeling therefore is that the Inchcape Committee's recommendation as it stands in the Report and as I believe will be given effect to by a motion of Mr. Kamat, would probably be the practical solution of the wishes of a number of Members of this House. Now, Sir, the Honourable Mr. Innes complained bitterly that it was not fair to judge two years separated as widely apart as 1913-14 and 1921-22, and I think he rather unfairly criticised the Report and Mr. Ginwala for doing this. But I am sure that the Report has in no place suggested that the cost should be the same as in 1913-14, and I do not think I understood that Mr. Ginwala suggested that we should have the same working expenses as in 1913-14. These figures have been simply put down as a guide, and all the members of the Committee and all Members of this House fully realise that we cannot possibly expect to work at the same rate of expenditure as in 1913-14. Now, the Honourable Mr. Innes asked that we should treat these railways as a commercial concern. I, Sir, am more than ready to deal with the subject on those lines. I am prepared to criticise the railway management, not only as regards

[Captain E. V. Sassoon.]

state-managed lines, but also as regards company-managed railways—I shall do so on commercial lines. One of the points laid down in this report is that there is a large surplus, an unnecessary surplus of stores. Now, Sir, all business concerns during the war had to carry big surplus of stores. It was necessary because one did not know when one could get renewals, but directly we knew, the war having ended, that we could get normal supplies, I think that most carefully managed business concerns reduced their orders for stores so as gradually to work off their stocks. I know that in my own concerns I have been doing this during the last three or four years. I suggest, therefore, there was no reason why the railway administration should not have done the same and should not therefore be in a position of carrying surplus stocks of stores, of which I understand from the Incheape Committee Report, the present price is 50 per cent below the book value of the stores. That is one of my criticisms.

Another of my criticisms is that though I am fully in agreement with the rehabilitation of railways I am also fully in agreement with the recommendation of the Committee which states that we should repair as much as possible instead of renewing as much as possible. Sir, in this connection only yesterday I was asked by a very charming lady to explain to her the points at issue in the railway demands in the budget. I did so to the best of my ability and she then replied to me "Oh, I understand what it is; the Indian railways are rather like me; I would like to buy new silk stockings, but I have to darn them." I think that that is a very good description of the position of the railways in India; we would like to buy new silk stockings, but we cannot afford to, and therefore we must darn them; we would like to renew, but we cannot afford to and therefore let us repair. Sir, in my business I have been doing this; instead of renewing my machinery I have been repairing it. I am glad to say that my policy has been successful. Only three days ago, when I was in Bombay, a machinery manufacturer was going through one of my mills, and I showed him a department the machinery of which was 30 years old and asked him whether he considered that I ought to scrap that machinery and give him an order for new machinery. His reply was "You would be a fool if you did, because although it is true that the new machinery would be a little more efficient than your repaired machinery, it would only be 5 per cent. more efficient and this 30-year old machinery of yours will be able to give you good service for a large number of years." Now, Sir, when the Honourable Mr. Innes drew attention to the point raised by the Retrenchment Committee whether an Agent should repair or renew a portion of a line, he maintained and quite rightly that the Railway Board should control the Agents. But, Sir, I consider that if the Railway Board insists on renewing a line when repairs would make that line carry on efficiently and effectively for another 15 years, which I believe is the time mentioned in this Report, then I would challenge the wisdom of that Railway Board in insisting on renewals.

The Honourable Mr. C. A. Innes: What about restrictions on the traffic?

Captain E. V. Sassoon: I understood the Honourable Mr. Innes to maintain that a line was in a very bad state. If you have got 15 years more by repairs, you can always arrange to make the renewals spread over the last portion of the 15 years for portions of the line that are entirely worn out.

Now, Sir, another point that the Honourable Mr. Innes mentioned, I think, in criticism of Mr. Kamat's remarks was that we should not compare the two years, because one of the two years was a boom year and

the other was a very bad year for the trade. I think that a railway administration which, I take it, prides itself on being run on commercial lines, should have the business foresight of commercial houses and try to anticipate what the future is going to be like. If the railway administration anticipates a good monsoon and extra trade, I do not think, Sir, that we would grudge it a supplementary grant later on, if it could show that the profits were coming in. On the other hand if it does not consider that we are going to have an increase of trade what is the point of increasing the carrying capacity of our railways at a very high cost, at a particularly high cost because as the Honourable Member has pointed out the prices of materials are still very high? I am not ordering new machinery to-day unless it is absolutely necessary, because I consider that prices will drop. Why, therefore, should the Government do so for its railways, unless it is convinced that the increased expenditure will bring in a profitable return? and in that respect I would like, Sir, to join issue with Sir Montagu Webb as regards the North-Western Railway. If he will turn to page 75 of the Incheape Committee's Report he will see that the reason why the Committee does not encourage further expenditure on the Railway is because it did not appear to them that the economy to be effected by the use of large engines would be sufficient to justify the heavy expenditure which is apparently necessary to bring the line up to the required standard. Let the North-Western Railway, whether by wheat or any other traffic, show that that expenditure is justified, and I for one would be prepared to agree to it, but if it is not justified then, I think, it should quite rightly be abandoned.

Sir Montagu Webb: The Incheape Committee apparently forgot all about the wheat export traffic.

Captain E. V. Sassoon: If the Agent who does not appear further up in that paragraph to be very enthusiastic about extra expenditure, if the Agent who is the man on the spot, and who is the executive officer of the Railway and who does know about the wheat traffic, considers that there is likely to be a sufficiently large import of wheat into Karachi at the particular time which Sir Montagu Webb has in mind to justify the capital expenditure in these engines, let the Agent come forward and say so to the Railway Board; let the Government ask us for a supplementary grant, and I think this House will grant it. Let us run these Railways as commercial concerns. If the extra expenditure will bring in extra profits, let us agree to it; if not, let us postpone it as would be done by any commercial house. Sir, that is the line on which my criticism of the Government and the Railway Administration is based. And, Sir, although, as I have said, in prefacing my remarks that I do not propose to follow Mr. Ginwala because I think that his cuts are excessive, I do propose, when the proper time comes, to follow Mr. Kamat into the lobby and insist on the Incheape Committee's recommendations being carried out.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, the motion for reduction proposed by my friend, Mr. Ginwala, technically is a motion for reducing the voted portion of the Demand. But I submit to the House, that when Government tries to give effect to the reduction which the House may sanction, Government is not restricted to make the reduction only in the voted portion of the Budget. I shall therefore at the outset draw the attention of the House to some items in the non-voted portion of the Railway Budget. The first item to which I would like to draw the attention of the House in the non-voted portion of the Budget is that of Annuities . . .

Mr. President: We cannot deal with Annuities under a motion for reducing the working expenses.

Mr. N. M. Joshi: I suppose, Sir, Mr. Ginwala's notion is

Mr. President: I can understand the Honourable Member's difficulty. The Honourable Member may easily have made a mistake, because Mr. Ginwala's motion for reduction is printed in a wrong place; it should have been "working expenses", and the motion which he has moved is that the Demand under the head Railways and the sub-heading Working Expenses be reduced by Rs. 4 crores. Therefore that restricts the debate to working expenses.

Mr. N. M. Joshi: Sir, I am sorry I misunderstood the point. I shall first deal with the working expenses out of the total demand. The first point I would like to make is about the establishment charges. My Honourable friend, Mr. Shahani, has already drawn the attention of the House to the great rise in the establishment charges of the several Railways. He has compared the establishment charges of the different Railways, but I propose to compare the present year's establishment charges of one Railway with those of the previous year. The Railway which I propose to take for the purpose of comparison is the Bengal Nagpur Railway. In this Railway in the last year's Budget 68 officers drawing Rs. 1,000 and over were shown, whereas in this year's Budget in the same Railway 175 officers drawing Rs. 1,000 and over have been shown. There is thus an addition of 107 officers in one line. I know, Sir, that it may be said that all these 107 officers are not new officers. Some of them may have been promoted and therefore they have been included in the list of officers drawing a salary of Rs. 1,000 and over. But from the Statement it is not clear how many of these 107 officers are new recruits and how many of them have come there on account of promotions. I see however there are at least some officers which have been newly created. There are 4 Personal Assistants out of whom 2 Personal Assistants have not come in the list by promotion. There are some Superintendents. I do not know whether they have come by promotion or not, but it will be quite clear that during one year in the Bengal Nagpur Railway while there were only 68 officers last year drawing Rs. 1,000 and over, this year there are 175 officers drawing Rs. 1,000 and over. Therefore, this point makes it perfectly clear that the establishment charges of these Railways are very extravagant and that they are spending a good deal of money out of the working expenses for establishment charges.

Sir, while speaking about the establishment charges, I would like to make one remark which I also made in the course of my Budget speech, and it is this, that while we compare figures about establishments, we are in a great difficulty because we do not know whether the additional figures are there on account of promotions or on account of new appointments. I therefore feel that the Government, when they prepare the next year's Budget, should place the Members in a position to judge whether the additional posts shown there are new appointments or they have been made by promotions. I suggested to Government that in order to enable Members to compare these figures they should give us copies of the establishment roll. Unless we are furnished with copies of the establishment rolls, we cannot get this information at all, and I therefore trust that Government will accede to my request and enable the Members to compare these figures.

Sir, the Honourable Mr. Innes has made some reference to the retrenchments made by certain Railways, and on this point also I want

to make one remark. The retrenchment made by these Railways has been made mainly in the low paid staff, and there is a great complaint both in the Bengal Nagpur Railway as well as in the Great Indian Peninsula Railway about this matter. I would therefore suggest to the Railway Board that when they ask these Railways to effect retrenchments they should exercise some control over them and ask them to make retrenchments in such a way that the burden will not wholly fall upon the low paid staff but at least a portion of it will fall on the highly paid staff. In the case of the Bengal Nagpur Railway, only yesterday I asked a supplementary question while Mr. Agnihotri's question was being answered, whether when low paid servants were being dismissed, any of the highly paid officers were also being removed. But from the figures I have quoted I have shown that on the Bengal Nagpur Railway there is not only no reduction in the highly paid officers, but while there were 68 officers drawing Rs. 1,000 and over in the last year's Budget, there are 175 officers drawing Rs. 1,000 and over in this year's Budget. My Honourable friend the Chief Commissioner yesterday asked me what was the bearing of my supplementary question. I will make it clear to him. The bearing was that the railways made reductions in the low paid staff only. If he had scrutinised the figures, he would have found in the case of highly paid officers that the number had increased to more than double. (A Voice: "What about the Great Indian Peninsula?") In the case of the Great Indian Peninsula also the same is the complaint. The Great Indian Peninsula has appointed an officer, a Mr. Heseltine or some such name, and that officer in making retrenchments has dismissed a number of low paid servants while the complaint is that he has not touched any of the highly paid officers. Sir, that is not the way to make retrenchment. I therefore think that there is a great room for retrenchment in the case of railways in the item of supervising officers. The establishment charges have grown tremendously and more and more officers are being appointed and their number as shown in the budget statement has been doubled in one year. I therefore hope that Mr. Ginwala's motion will be accepted.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadian Urban): Sir, I have tabled a motion for a lesser cut (No. 179). Having gone through the figures, I originally asked for a reduction of Rs. 1,71,70,000, as shown in the printed paper. But on going through the revised figures as supplied to us on Saturday last and availing myself of what Sir Basil Blackett told us, I have sent in a motion reducing that figure to 50 lakhs. If Honourable Members will please read 50 lakhs for the figure 1,71,70,000, then my meaning will be clear. Those figures, with the marvellous *plus* and *minus* system brought into the revised paper, work out at 50 lakhs, as Captain Sassoon has pointed out, and leaves something over.

The reason why I ask for this smaller cut is that the Assembly having only recently carried a motion for State management I believe all the support that the railway administration can be given should be vouchsafed. Although it was my duty to take another view from some of my friends at that debate, I am loyal enough to their Resolution to perceive that if railway administration is really to do what is expected of it and must be expected of it, it ought to have a fairly free hand. Therefore I do not propose to go beyond, at least for the present, what the Inchcape Committee laid down. I shall read their words again:

"The budget provision for the working expenses including surplus profits in 1923-24 be limited to 64 crores, subject to"

[Sir Deva Prasad Sarvadhikary.]

a variety of things mentioned in the concluding portion of the recommendations. I do not propose for the present to go into the somewhat hypothetical figures about 4.59 crores and 8.50 crores savings mentioned there, or undertake with Mr. Rangachariar a research into the unspoken thoughts, as Mr. Ginwala put it, of the Retrenchment Committee, nor stop to enquire how the 4.9 crores is made up. For my purposes for the present it would be enough if the Government were to accede to a very small reduction of 50 lakhs which would enable those of us who are wanting a reduction of at least a crore of rupees on the civil side of the expenses to suggest acceptable means for the purpose of balancing the budget. I do not for a moment concede that other reductions will not be insisted on. But for the present I do not think we ought to embarrass the railway administration by demanding more than a cut of 50 lakhs. I am perfectly sure, and I hope the Government will admit, that in dealing with large allotments like this it ought not to be difficult to find that sum of 50 lakhs. Sir, it has been pointed out that the demands have been (I do not say consciously or purposely) inflated, but in the first presentment they were inflated, and later on for reasons that have not been made quite clear, it appeared that what was budgeted for last year was not really what was required. And quite naturally that has led us to believe that a small cut of 50 lakhs will not at all prejudice the situation. Sir, when some one proposed that a day should be set apart for discussing the Inchcape Committee's Report, the Leader of the House invited us to discuss the report in the course of the budget debate. The first fruits of that suggestion are now before us. We have had a very animated debate and had retorts from both sides of the House regarding the suggestions made by the Inchcape Committee. When my friend, Mr. Innes, got up I thought he was going to combat Sir Montagu Webb for flinging the first stone at the Inchcape Committee. Well, Sir, some of us will have to follow suit later on, but on surer grounds. Here however I believe the Inchcape Committee was occupying quite unassailable ground. Mr. Rangachariar reminded us that two members of the Railway Board were members of that Committee, and it is not a fact that all that the members learnt about railway administration and railway finance was hurriedly picked up in the course of three months of Delhi dissipation. Far from it. Well, I know in other concerns that there has been corridor talk about "Commercial Commission," about "Clive Street Commission", or as some prefer, the "Bengal Commission," because unfortunately most of the Members happened to come from Bengal or had their training in Bengal. That does not take away from the value of the recommendations of the Committee. Certainly in regard to business propositions and commercial undertakings I am not prepared to enthuse to the extent that some Members have done over the Inchcape Recommendations. A great deal more could and should be done. Nor am I prepared to endorse Mr. Innes's severe criticism to-day and give the go-by to the Inchcape criticisms because they happen to be adverse. We are not concerned at present as to how matters of policy which have been introduced in the report, which Mr. Innes criticises, are to be carried out. Where is it however that the Inchcape Committee have erred in insisting on reductions? That is our objective so far as the budget deficit is concerned and I believe that can be met by the lower scale of cut that I am trying to put before the House. I do not think there ought to be any hesitation in acceding to the request for a cut of 50 lakhs. I do not know, Sir, what procedure you will be pleased to adopt when the debate is over and Mr. Ginwala's and other larger demands for reductions are disposed of. I submit that my

motion ought to come last and then it will probably have a better result than the bigger demands.

Mr. President: I can put the Honourable Member's motion now, if he wishes, as an amendment to Mr. Ginwala's in order to give the House an opportunity of expressing its wishes.

The original question was:

"That the provision for working expenses under the head 'Railways' be reduced by Rs. 4 crores."

Since which an amendment has been moved to omit the words 'four crores' and to substitute in their place the words 'fifty lakhs'.

Mr. C. D. M. Hindley (Chief Commissioner, Railways): Sir, amid this welter of figures we have had this morning I feel that the House by now has perhaps realized what the actual cuts which are being made consist of. I think if I may refer again to the Statement which was placed in our hands on Saturday, on page 3 of that statement Honourable Members will see, against working expenses under Budget, 1922-23, the figure of 67.99. That is the figure on which the Retrenchment Committee were working when they proposed their reduction. They made the proposal for a reduction of 4 crores and 59 lakhs which will be found in the next column. In the meantime our Budget had been prepared for 66.51, shown in the next column, that is our Budget prepared for 1923-24. We now propose to make a further reduction of 3 crores on that figure, bringing down the working expenses to 63.51. Therefore, we have our working expenses under that head brought down from 67.99 to 63.51, a total reduction of 4 crores 47.50. Taking the next three figures below relating to surplus profits, etc., down to the bottom of the column, you will see that, as compared with the total cut recommended by the Retrenchment Committee of 4.59, we propose to make a cut of 4.19.93, leaving our total demand at 64.88, irrespective of interest, annuities, and sinking-funds. Now what I want to point out is that the actual retrenchment recommended by Lord Incheape's Committee was that the working expenses including the surplus profits to Companies should be fixed at 64 crores. If you take the two figures representing working expenses in column No. 6, 63.51 crores for working expenses and 98.77 lakhs for surplus profits, and add them together, you will get the figure to which we have reduced our working expenses corresponding with the basis used in the last recommendation of the Retrenchment Committee, i.e., 64.50. I think those remarks of mine will perhaps meet the Honourable Mr. Rangachariar's request for a clear explanation of what cuts we have made. I may say that we have been going in for a great deal of retrenchment before Lord Incheape's Committee began to study the question. For many months during last year special officers have been at work on nearly every railway making strenuous endeavours to reduce working expenses in all directions. Now having made those endeavours, the estimates were still in our opinion above what they should have been. I may just quote a few more figures, though I do not want to bore the House. The total demands sent up from the railways, i.e., the estimates made by the Railway Agents which they sent up for our consideration amounted to 70 crores. We reduced these in the first instance to 68, and further down to 66.51, the figure with which we started this Budget, and we have again reduced it now by 3 crores, so that you will see that, altogether, we have made a clear reduction of nearly 7 crores on the figures sent up to us by the Agents of the Railways for consideration. Now, Sir, I think that that shows that we

[Mr. C. D. M. Hindley.]

have not been wanting in our endeavours to make retrenchments in every possible direction. With regard to many of the criticisms which have been made to-day against the Railway Administration, I am perhaps in the rather happy position of looking to the future than to the past, and yet although I admit that there is a great deal of truth in much that has been said, and a very considerable amount of truth in what is written in the Retrenchment Committee's Report, I should like to defend on general grounds the railway administration of the past, for I feel that there is no Department of Government perhaps which receives more adverse criticism. (*An Honourable Member*: "and for obvious reasons.") But one of the things that I was looking forward to doing when I took up this appointment was to try and clear away some of the mud thrown at the Railway Board, and I do hope I shall have a chance of doing so. Now with regard to some of the criticisms that have been recently made, I would like to refer to one point made by Captain Sassoon. He tells us that instead of replacing our worn-out material, our worn-out engines and stock, we should repair them. He says, 'darn your stockings, don't buy new ones.' Well, we have been doing this, Sir, for years, and we know perfectly well that third class passengers in particular are beginning to feel the darns in the stockings,—and that has been the trouble, dating back from the war period particularly. We have things, Sir, not 30 years old like Captain Sassoon's most excellent machinery, we have engines 40 and 42 years old still awaiting replacement. I should rather like to know whether Captain Sassoon does not find that his 30-year old machinery does not cost him more in maintenance than new machinery would. It is an actual fact that a 40-year old locomotive costs very much more in maintenance than a new locomotive does, and therefore you cannot be sure, deferring the renewals of locomotives, that you are not inevitably increasing the cost of maintenance, because locomotives must run and must keep up to the mark, and there, Sir, we come back to this very difficult question of programme revenue. What is programme revenue? We have heard it discussed in many different directions, and I am inclined to think that it is very hazily understood what programme revenue really is. The nature of programme revenue, that is to say, expenditure incurred according to programme on revenue account is purely part of working expenses and part of maintenance and upkeep. But for the purposes of budgetting some years ago, it was considered necessary and advisable to separate this from the ordinary working expenses account. One of the things about railway working is that your working expenses vary, fluctuate up and down in proportion to the traffic moved. Now in budgetting, especially when, as has unfortunately been the case, our railway budget has been dependent very largely on the exigencies of the finances of the Government of India for the particular year, it has been found very difficult in the past to arrange for this fluctuation in accordance with the traffic receipts. It was therefore considered necessary some years ago to separate that portion of the expenditure which does fluctuate with traffic from that portion which does not—and which can be programmed, and that is the origin of the expression 'programme revenue'. It is possible to lay down beforehand what shall be renewed and what shall not be renewed and that is why we have this head of programme revenue, because it enables us, by standardizing to some extent the amount of renewals which is to be done year by year, to look ahead and arrange beforehand and set aside a certain amount of money each year which will be used for necessary renewals and replacements. Then, it will be said, how is the figure arrived at? Now in this

connection the Retrenchment Committee, I think, were possibly led away into a misunderstanding of our actual process. We can, as a matter of fact, justify the expenditure which we proposed, *viz.*, 12½ crores. We have estimates and proposals before us sent by the Railways for the replacement of actually worn-out materials, rails and locomotives which are lying there ready to be replaced and waiting to be replaced not strictly in accordance with any life figure as some Members have mentioned. Not because a rail is 30 years old do we take it out of the line; not because an engine is 35 years old do we replace it, but because those rails are incapable of carrying the traffic at the present time, incapable of carrying our heavier engines and the old engines incapable of hauling longer and faster trains. In other words we have got to make our renewal programme to fit the actual requirements of the different Railways. It is perfectly true, as the Acworth Committee pointed out, that there are hundreds and thousands of units of our stock which require immediate replacement, not because they have run an age limit, but because they are really falling to pieces and cost us a great deal in maintenance; and that is the real reason why our maintenance on locomotives and carriages and wagons have gone up during the last few years, because during the war period and for some years after the war, expenditure on these very necessary renewals was scamped and starved. If you see the figures, you will find that we were not able to expend any appreciable sum in past years owing to financial exigencies. It was impossible to carry out the renewals of engines which were worn out and could not haul the traffic. I think perhaps I have explained what is the origin of this programme revenue. You will see, Sir, that the Incheape Committee's report refers to a certain Depreciation Committee. The object of that Depreciation Committee was to settle and if possible standardise the expenditure in regard to renewals. It was not intended that they should lay down an exact figure to be spent on any individual Railway each year but their investigations were intended to enable us to form a basis for fixing the amount of programme revenue which should be spent year by year in order to keep the Railways up to the mark. I think there is absolutely no disputing the figures which they have produced and which are now under examination. They have investigated into the case of every Railway in India and after careful consultation with the Agents and Engineers responsible, they show that the arrears of renewals can roughly be assessed at about 18 crores of rupees; and they also say that the normal amount to be used in replacing depreciation should be 9½ crores. I just mention these facts to guard against a fallacy. It is said that the arrears of renewals are 18 crores of rupees, that is to say about two years' arrears. Actually the renewals have been many many years in arrears and 18 crores is the accumulation of the arrears of depreciation in many years which actually exists at the present time.

I think, Sir, that I have explained, how we arrived at our figure which we placed in the original budget. You will see that as against the proposal of 12½ crores, it was anticipated that there would be a saving of one crore during this year, that is to say, we anticipated that there were possibilities of effecting that saving owing to the fall in prices or possibly late delivery of materials. We have brought our figure to 11½ crores, and now, as the result of the recommendation of the Retrenchment Committee we have reduced that figure to 9 crores and made a cut of 2½ crores in programme revenue. Now, it sounds very easy to take a pencil and cut 2½ crores, but I can assure you that it is going to be done with the very greatest difficulty and with the greatest detriment to the Railway property. There is

[Mr. C. D. M. Hindley.]

no doubt whatever that you are deferring very necessary renewals which should be made at the present time. We have not done it year after year. During the war we passed it over because we could not get materials and we could not get money; subsequently also there was no money and we could not get on with the work; and it is now getting into a serious liability. What we are doing is that we are living on Capital. We are eking out the existence of our Railways, not replacing the depreciation that has occurred and we are seriously depreciating the asset; and what is much more important is that we are depreciating the earning power of these Railways. We might perhaps stand by and see the Capital book value of the Railways being reduced, but we are very seriously concerned with the possibility of reducing the earning power of certain parts of our Railways; and that is why I appeal very strongly that this House should not make a further reduction on that figure of 9 crores, programme revenue. We have already explained, I think what has been done in regard to staff. Out of the general head of working expenses, where the Retrenchment Committee recommended a reduction of 1 crore, we propose to make a reduction of 50 lakhs. Now, Sir, it is a very difficult matter to effect large reductions in staff at very short notice. The House has to remember that these reductions will have to come into force on the 1st of April. It is not always possible to get rid of men without notice whatever their stage in the service. You must allow a certain amount of latitude when you are getting rid of a man and depriving him of his occupation. I understand that so far as can be done on the Great Indian Peninsula Railway, the men who have to be unfortunately reduced are being given every possible concession in the matter of leave, provident fund or anything that is due to them. Any leave which they have earned is, I believe, given to them as is natural and right. Now, I ask anyone here, is it reasonable to expect that you can sack men on the 1st of April and give them no leave and no concessions? If that is the case, how are you going to allow for "lag" as it is called in connection with these reductions? For that reason, after very serious consideration we kept our figure at 50 lakhs reduction only. I must say that I have been very seriously impressed not only with the Incheape Committee's Report, but with the criticisms which have been brought forward to-day. I feel on going through the whole of the report and through the whole of these criticisms that there is a feeling, a commercial feeling. I may say, that the Railways should be better managed and that they should produce a profit and that they should pay their way. I do not believe that it is right that you should ask your Railways to give a very large and substantial relief of general taxation. I believe you should be content to have your Railways paying their way as an ordinary commercial concern, and it will be our business here to carry out as far as we can those recommendations. I gather that Honourable Members do understand how we have arrived at the figures and there is no necessity for me to go further into the figures, but I would rather take advantage of a suggestion made, I think, by Mr. Shahani and Mr. Kamat, that in the event of earnings improving during the year,—as I am optimistic enough to believe they will prove—that it will not be made difficult for us to come forward for an additional grant to meet the necessary working expenses which must arise when greater traffic is being carried. On that understanding, I am prepared on behalf of Government to accept the recommendation made by Sir Deva Prasad Sarvadhikary that the total figure of working expenses should be reduced by 50 lakhs. We shall do our level best to carry out that reduction, though in my opinion it is not a wise thing to do at the present moment. We will do

our best to carry it out, and I may claim that it should be left to me, to the Railway Department, to decide how we should make the incidence of that cut fall. With these words, Sir, I oppose Mr. Ginwala's motion and accept Sir Deva Prasad's amendment.

Mr. P. P. Ginwala: Sir, I want to ask a question. Did I understand the Honourable Member correctly when I heard him say that he had cut down 12 crores 50 lakhs in the estimate to 9 crores in the programme revenue, and that he had effected a saving of half a crore in the staff?

Mr. C. D. M. Hindley: In ordinary working expenses.

Mr. P. P. Ginwala: $3\frac{1}{2}$ crores plus half a crore?

Mr. C. D. M. Hindley: $2\frac{1}{2}$ crores in programme revenue. It stood at $11\frac{1}{2}$ crores and it is cut down to 9. I am talking about the present budget figures.

Mr. President: The original question was:

"That a sum not exceeding Rs. 64,47,79,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Railways'."

Since which an amendment has been moved:

"That the provision for working expenses under the head 'Railway' be reduced by Rs. four crores."

Further amendment moved:

"Substitute the words 'fifty lakhs' for the words 'four crores'."

The question is that that amendment ("Substitute the words 'fifty lakhs' for the words 'four crores'") be made.

The Assembly divided:

AYES—67.

Abdul Quadir, Maulvi.
Abdul Rahim Khan, Mr.
Abul Kasem, Maulvi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Ahmed, Mr. K.
Ahsan Khan, Mr. M.
Aiyar, Mr. A. V. V.
Aiyer, Sir P. S. Sivaswamy.
Akram Hussain, Prince A. M. M.
Allen, Mr. B. C.
Amjad Ali, Maulvi.
Barua, Mr. D. C.
Bhanja Deo, Raja R. N.
Bhargava, Pandit J. L.
Bishambhar Nath, Mr.
Blackett, Sir Basil.
Bradley-Birt, Mr. F. B.
Bray, Mr. Denys.
Brayne, Mr. A. F. L.
Burdon, Mr. E.
Cabell, Mr. W. H. L.
Chatterjee, Mr. A. C.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Dalal, Sardar B. A.
Faridoonji, Mr. R.
Gajjan Singh, Sardar Bahadur.
Ghulam Sarwar Khan, Chaudhuri.
Gidney, Lieut.-Col. H. A. J.
Haigh, Mr. P. B.
Hindley, Mr. C. D. M.
Holme, Mr. H. E.

Hullah, Mr. J.
Hussanally, Mr. W. M.
Innes, the Honourable Mr. C. A.
Iswar Saran, Munshi.
Jamall, Mr. A. O.
Jamnadas Dwardkadas, Mr.
Jejeebhoy, Sir Jamsetjee.
Joshi, Mr. N. M.
Ley, Mr. A. H.
Lindsay, Mr. Darcy.
Mitter, Mr. K. N.
Moir, Mr. T. E.
Muhammad Hussain, Mr. T.
Muhammad Ismail, Mr. S.
Mukherjee, Mr. J. N.
Mukherjee, Mr. T. P.
Percival, Mr. P. E.
Ramayya Pantulu, Mr. J.
Ramji, Mr. Manmohandas.
Rhodes, Sir Campbell.
Samarth, Mr. N. M.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Mr.
Sarvadhikary, Sir Deva Prasad.
Sassoon, Capt. E. V.
Schamnad, Mr. Mahmood.
Shahab-ud-Din, Chaudhri.
Singh, Mr. S. N.
Sircar, Mr. N. C.
Spence, Mr. R. A.
Townsend, Mr. C. A. H.
Webb, Sir Montagu.
Willson, Mr. W. S. J.
Yamin Khan, Mr. M.

NOES—27.

Abdul Majid, Sheikh.
 Abdulla, Mr. S. M.
 Agarwala, Lala Girdharilal.
 Asjad-ul-lah, Maulvi Miyan.
 Ayyangar, Mr. M. G. M.
 Ayyar, Mr. T. V. Seshagiri.
 Bagde, Mr. K. G.
 Basu, Mr. J. N.
 Das, Babu B. S.
 Faiyaz Khan, Mr. M.
 Ginwala, Mr. P. P.
 Girdhardas, Mr. N.
 Gulab Singh, Sardar.
 Jatkar, Mr. B. H. R.

Lakshmi Narayan Lal, Mr.
 Mahadeo Prasad, Munshi.
 Man Singh, Bhai.
 Mudaliar, Mr. S.
 Neogy, Mr. K. C.
 Pyari Lal, Mr.
 Shahani, Mr. S. C.
 Singh, Babu B. P.
 Sinha, Babu Ambica Prasad.
 Sinha, Babu L. P.
 Srinivasa Rao, Mr. P. V.
 Subrahmanayam, Mr. C. S.
 Venkatapatiraju, Mr. B.

The motion was adopted.

Mr. President: The question is :

“ That the provision for working expenses under the head ‘ Railways ’ be reduced by 50 lakhs.”

The motion was adopted.

The Assembly then adjourned for Lunch till Three of the Clock.

The Assembly re-assembled after Lunch at Three of the Clock. Mr. President was in the Chair.

Mr. B. Venkatapatiraju (Ganjam *cum* Vizagapatam : Non-Muhammadian Rural) : Sir, my amendment as amended again runs as follows :

“ That the provision for Working Expenses under the head ‘ Railways ’”

Mr. President: We have passed from Working Expenses; that is finished.

Mr. N. M. Joshi: I have an amendment for cutting down the Working Expenses by one rupee.

Mr. President: We have had a whole morning's discussion on Working Expenses; that subject is now exhausted.

Mr. B. Venkatapatiraju: I had not an opportunity of speaking; I got up ten times as I wanted to speak on the general question.

Mr. President: Mr. Venkatapatiraju, No. 184.

Mr. B. Venkatapatiraju: I move :

“ That the provision for Surplus Profits under the head ‘ Railways ’ be reduced to Rs. 65,00,000.”

That point was raised because the Inchcape Committee at page 293 of their Report suggested that the amount might stand at that figure. Now, I propose to raise the question of principle instead of sticking up to that figure, because Surplus Profits have to be paid to the Companies under the terms of the contracts, and you cannot go beyond the terms of the contract, and the terms of the contract with reference to various companies differ, though we deplore the necessity for the Government to enter into different methods of agreeing to give surplus profits. For instance, I may

mention that surplus profits were given in this wise. For the East Indian Railway, four-fifths of the Surplus Profits up to Rs. 25 lakhs, to the Government and one-fifth to the Company; in excess of 25 lakhs, fourteen-fifteenths to the Government and one-fifteenth to the Company. In the case of the Great Indian Peninsula Railway the Surplus Profits are divided as follows: nineteen-twentieths to the Government and one-twentieth to the Company. Similarly, with reference to other companies the profits are divided in the proportion of four-fifths and one-fifth. In the case of the Bengal-Nagpur Railway it is in the proportion of three-fourths and one-fourth and in the case of the Burma Railway three-fourths and one-fourth. My point is this, I was not able to understand why this excess amount was fixed in the present estimates, whereas at page 293, the Inchcape Committee suggested only 60 lakhs. Either they were not in possession of the figures or perhaps a larger amount is expected to be realised in the working of the current year. They wanted to provide 98 lakhs in order to give a margin over 60 lakhs provided in the Inchcape Committee's Report. I suggest 65 lakhs might be put in.

With reference to the Surplus Profits, Sir, I want to bring to the notice of the Government whether the terms of the contracts are properly scrutinised before the amounts are allowed under the head of Surplus Profits. The terms of the contracts are clear that the permanent way and rolling-stock should be maintained in good repair and that this should be met out of the gross receipts, that is out of the working expenses. If that amount is not realised, how can you take it under Surplus Profits and divide it between yourself and the Companies? So far as you are concerned, you need not think you are making a good bargain by taking it, because you have to pay interest and all the profits you are realising fall short of the interest. For instance, in the case of 8 companies out of 12 you have lost 20 crores and this year you propose a loss of 5 crores on these 8 companies. After all, you speak of a commercial concern, but how can this be when the nine-tenths shareholder loses. We do not grudge this division of Surplus Profits in the case of companies who are trying their level best to secure some profit to us, but what I say is, when you have allowed a profit, do you first of all see that renewals which ought to be maintained under the terms of the contract are really maintained by the companies instead of asking us to pay for this out of our revenues? If you put it under renewals it would come under general revenues because you may take it under the Capital Account. But what I want to show is that, in order to give Surplus Profits, you must provide for repairs and maintenance of the rolling-stock. Where you have paid, you are not doing any justice to yourself but doing unnecessary generosity in favour of the companies. During the period of the war, when repairs and maintenance were not properly maintained, because I want to use the words specifically, repairs and maintenance distinguishing them from renewals, *i.e.*, to provide any fresh article or new addition the expenditure must be met out of the capital funds. Therefore, I do not take up that course. I would only concern myself with repairs and maintenance of the rolling-stock and permanent way which should be kept in proper condition. When you have not done that during the period of the War you have been satisfied in dividing this amount with the Companies even to the extent of giving 1 crore and 4 lakhs year before last; and last year you provided 60 lakhs. Not satisfied with that you are providing 98 lakhs. Now I suggest to you, Sir, in the evidence given before the Acworth Committee some member stated this surplus profit is not properly earned at all. It is not commercially earned. It is true you may literally fulfil the terms of

[Mr. B. Venkatapatiraju.]

the contracts by stating whatever amount that is not actually spent on repairs and maintenance of rolling stock and permanent way might go towards surplus profits beyond the guaranteed interest, 4 or 5 per cent. and interest on the capital outlay according to the circumstances of the case. Now I ask if that course is adopted whether the Government is not a loser on that account, whether the Government was not to pay a larger amount as surplus profits because the Government supervision has not been effective in order to see that the amount is properly spent on repairs. If you cannot spend it, as suggested by Lord Inchcape, you keep the amount in suspense, because you cannot divide the profits without meeting the necessary obligations which were entered into under the contract, and therefore, Sir, I would ask for an explanation from Government. Lord Inchcape's Committee suggested 60 lakhs. Why have you put it at 90 lakhs when you have suggested 66½ lakhs surplus profits on 92 crores gross receipts; why have you put it at the higher rate of 98 lakhs on gross receipts of 95½ crores. Secondly, whether during all these years repairs and maintenance have been carried on as per contract, and where they failed to carry them out, what steps were taken by the supervising authority to see that Government did not lose on that account. I want an explanation, and therefore unless I am satisfied on these points I wish it to be reduced to the figure of 65 lakhs.

Mr. O. D. M. Hindley: Sir, I can quite see that the figures put before Honourable Members may perhaps have given rise to a certain amount of misapprehension. As I mentioned this morning, the figures taken by the Retrenchment Committee are those of the Budget estimate for 1922-23 where will be found the figure of 60 lakhs for surplus profits paid to Companies. The Retrenchment Committee naturally did not propose any alteration in this figure, but I must point out that under the obligations of our contracts with these companies surplus profits are calculated by a definite formula which was laid down in each contract. To arrive at the surplus profits for these Companies we take the gross earnings and then we deduct from the gross earnings the working expenses (working expenses including all outgoings on maintenance and renewals). From that net figure, again, has to be deducted the standing charges in respect of interest on debentures and interest on the Company's share capital. We thus get at a net figure which is divided in a fixed proportion laid down under the contract between Government and the Company.

Now these contracts were made at various periods of our history. Some of them date back a great many years; some of them have been made comparatively recently; but all of them have been made with due consideration at the time to the market value of money and to the value of the property which the Company was taking over and the value of the services which Government was receiving. After the most careful consideration every one of these contracts has been prepared and in no case is the Company obtaining a larger share of the profits than is its due. With those contracts, therefore, before us, the amount which has to be paid is naturally an obligation on Government and one which cannot be avoided. We are told that we must run our railways on a commercial basis. One of the first principles of sound commerce is to honour your contracts, and we cannot avoid these demands which have been calculated, or will be calculated, on the actual net earnings received by the Companies. Now Honourable Members will see quite clearly that if the gross earnings remain

untouched at the same figure we propose, and if the working expenses, including renewals, are reduced by a large figure, the net earnings on each railway will be largely increased and therefore, applying the formula in the contract, the surplus profits to each company will also be largely increased. That is the explanation of the change from 60 lakhs in the second column of this statement to 98 lakhs. In the last column 98 lakhs represents the best estimate we can obtain of the surplus profits that will be due to the Companies under their contracts. With this figure of gross earnings and this figure of working expenses as the result of the further cut which we have agreed to this morning, I anticipate that there will be some further increase to the surplus profits which we may have to pay to these Companies in the same proportion.

I have said that the surplus profits of each railway administration, arrived at in the way I have described, that is to say, by deducting the working expenses from the gross earnings and then applying the proper proportion between the Government and the Company, vary in many cases in accordance with the different contracts that have been made from time to time. To illustrate how this division is arrived at I can quote one or two figures. In the case of the Bengal Nagpur Railway, for instance, the surplus profits, the Company's share of surplus profits is 5.65 lakhs; the estimated Government share is 52.5 crores. In the case of the East Indian Railway the Company's share is estimated at 8 lakhs; the Government share at 239.22 lakhs. In the case of the South Indian Railway, the Company's share is 1.98 lakhs, the Government share 30.18. And so on. So that the House will see that the Companies are not getting a very large or disproportionate share of the profits earned.

With this explanation, Sir, I hope my Honourable friend will be satisfied that we cannot do otherwise than pay the amounts that are due under their contracts to those Companies.

Mr. B. Venkatapatiraju: What about repairs and maintenance?

Mr. C. D. M. Hindley: The Honourable Member, I think, raised a further point about whether these Companies have in fact repaired and carried out the necessary replacements to their property.

Mr. B. Venkatapatiraju: Under the terms of the contract. They must be met out of surplus profits.

Mr. C. D. M. Hindley: The Honourable Member desires to know whether the property has actually been kept in proper repair under the terms of the contract. That is so, Sir, in so far as Government has been able to finance them; but I must make it perfectly clear that there were periods when the finances available for these operations were not sufficient, and we are now reaping the harvest in the heavier depreciation expenses which we have got to meet.

Mr. President: I find from a note in front of me that the Honourable Member intended to move a reduction by Rs. 100 and not Rs. 33 lakhs. Which does he really wish?

Mr. B. Venkatapatiraju: Rs. 100, Sir.

The motion that the provision for surplus profits under the head Railways be reduced to Rs. 65,00,000 was, by leave of the Assembly, withdrawn.

Mr. K. O. Neogy (Dacca Division: Non-Muhammadan Rural): I am perfectly aware, Sir, that the obligation under the contracts with the different railways cannot be avoided in regard to the payment of surplus profits . . .

Mr. President: The Honourable Member had better move his motion for reduction by Rs. 100 to put the discussion in order.

Mr. K. O. Neogy: I move:

"That the provision for Surplus Profits paid to Companies under the head 'Railways' be reduced by Rs. 100."

I began by saying that we cannot possibly avoid the obligation that the contracts have created; but it is quite clear from the statement that Mr. Hindley has made just now that the surplus profits have a sure tendency of increasing by postponement of legitimate repairs. That postponement may be due to avoidable and unavoidable causes. So far as the war period was concerned, I recognise that the postponement was inevitable to a certain extent. But Mr. Hindley was not certainly right when he said that this was a necessary incident of the war period and the war period alone. I would draw his attention to the observations made by the Acworth Committee to the effect that this aspect of railway policy has been in existence from before the war. If the Honourable Member will turn to paragraphs 70 and 71 of that Report, he will find what the Acworth Committee has had to say on this question. They observe:

"The Great War is an explanation, if not an excuse, for many particulars which no one would defend under normal circumstances. We cannot think that even the war is sufficient to explain the treatment of Indian railway revenue in the last few years At an early stage of the war it became difficult to obtain from Europe the customary supplies. Later on it became practically impossible. The inevitable result was that maintenance and renewals fell seriously into arrears from 1914 to 1918."

In the foot-note on the same page they say that the policy of undue postponement of revenue renewals, which in fact has meant taking as net revenue money that should properly have been treated as working expenses, is of long standing and not merely the result of the exigencies of the war period. So I should like to correct Mr. Hindley on this point.

Then, Sir, I propose to place the comments of the Acworth Committee on this aspect of the railway administration. They say:

"Obviously the expenditure was only postponed and had to be faced later on. An ordinary commercial concern"

(mark that, because too much is sometimes made of the commercial principles on which an administration like the railway administration should be run when we ask for any reduction)

"An ordinary commercial concern would as a matter of course have carried the money so underspent to a reserve for renewals, to be spent when the materials were again available. The independent railway companies did this. Not so the State. The money was treated as part of the ordinary revenue of the Government in the year in which it was not spent. . . . The apparent gain was not real. Had there been a separate railway budget the money underspent would have been earmarked in it as advanced to the Government for general purposes. It was indeed announced at one time that a reserve was being made, or would be made. The end of the war has come, and the money is not there; other liabilities had been too strong for the Government of India and so the reserve fund vanished"

Mr. President: The money is not there and is not included in the vote.

Mr. K. O. Neogy: Sir, connected with the question of surplus profits is the question of the creation of a depreciation fund. The question is whether any company or the Government have a right to credit to their

general revenues or to their surplus profits any amount that ought to be kept aside in a depreciation fund with which to meet any deferred renewals which could not be carried out by reason of any exigencies of the moment. That is the point that I wish to make. Now, Sir, I will ask Honourable Members to bear with me for a few minutes. As early as 1917 Sir Hugh Bray raised this question in the old Imperial Council. He pointed out that the railways were making a great deal of money and they were putting by no reserve and at the end of the war, when it was possible to spend money it might be difficult to get hold of that money. In 1918 we find the Honourable Sir William Meyer provided a special reserve of Rs. 30 crores for this particular purpose; but two years later the Honourable Sir Malcolm Hailey replying, I believe, to Mr. Crum, said that this amount went to increase the Secretary of State's ordinary ways and means balances, and in the evidence which Sir William Meyer gave before the Acworth Committee he said that this special reserve was raided by reason of the exigencies of the exchange situation created by the policy of Reverse Council Bills. This, in brief, is the history of the reserve that was actually provided by Sir William Meyer, and which is no longer there. Now, Sir, what about the share of the surplus profits that has been appropriated by the companies, a share which does not legitimately belong to them, a share that was swelled by reason of the postponement of renewals during the war period? They have been divided as dividends to the shareholders of the British companies. Sir, I want to inquire whether it is not possible to get the companies to make a refund of the excess amount which they got over the amount which belonged to them legitimately. It has been observed in the Incheape Committee's report that the taxpayer in India received the benefit of the postponement of these renewals during the war period. I am afraid I have to join issue with the Incheape Committee on this point, because I have shown that although the revenues of the Government were swelled at that time by reason of the postponement of renewals, the tax-payers have not been benefited; in fact, we are asked to foot a much larger Bill in the shape of programme revenue expenditure to-day than would have been the case if we had a reserve at our disposal to-day. Apart from this the spurious appearance of prosperity which this unspent amount gave to the general revenues of the Government of India, proved an excuse for raising salaries all round, and incidentally also lured us into a false sense of security under which we made a special war contribution of £100 millions to England.

Mr. O. D. M. Hindley: Sir, my Honourable friend, Mr. Neogy, has used in the course of his speech a good many of the portions of the Acworth Committee Report which I had marked in blue pencil to substantiate the position I took up this morning in regard to renewals. I am very grateful to him for bringing before the House this particular point that deferring renewals on railways is only deferring a liability. I think my Honourable friend was one of those who joined this morning in making a further cut in what we call programme revenue, which is, in effect, his depreciation fund which he wants us to put by. As regards the past, I quite agree with him, and I do not think that he had any reason for contradicting me in anything that I said, in fact I think we are quite in agreement that this process of deferring renewals on account of financial exigencies has been going on for a much longer time than from the war period. In fact, I have reason to believe that this portion of the Acworth Committee's Report was very largely based on the evidence which I myself gave to the Committee. I am glad to find myself for once so much in agreement with Mr. Neogy,

[Mr. C. D. M. Hindley.]

but I cannot agree with him when he suggests that we should go to the share-holders of these companies hat in hand and say "give us back some of your surplus profits." (*An Honourable Member*: "Writ in hand and not hat in hand.") Well, Sir, I do not think even a writ would be productive; and what is more, it would not be just because they were compelled by the financial exigencies of the Government of India to withhold expenditure on business necessary renewals. That, Sir, was the particular point of my evidence before the Acworth Committee. As a company's officer, I felt acutely that the Government of India in those days was benefitting the general tax-payer at the expense of the Railways by withholding the necessary funds for renewals and repairs, and I am extremely sorry that that process is now being continued owing to the financial exigencies of the current year. It is, therefore, not fair to blame those companies and those shareholders for taking their just dues under the contracts.

Another point arises in regard to that, Sir. As the Honourable Mr. Innes pointed out this morning during the past few years the tax-payer has benefited by 47 crores of rupees derived from railway surplus profits. I am not in a position to give the exact proportion of those surplus profits which have gone to the shareholders, but it must be, from the figures I gave you a few minutes ago, a very much smaller figure than that. Now, the position we have arrived at is that the general tax-payer has benefited at the expense of the depreciation of the Railways, and that was exactly the point which I wished to make this morning but unfortunately the Clock did not permit me to make all the points that I wanted to make. By cutting down the necessary provision for renewals which I know are required actually, we are deferring the liability and benefiting the tax-payer at the expense of your capital invested in the Railways.

Dr. H. S. Gour: (Nagpur Division: Non-Muhammadan): Sir, the Honourable Mr. Hindley has not appreciated the true import of the Honourable Mr. Neogy's charge against the Government. What he wanted to point out was this, that all the earnings of the Railways are treated as gross earnings. You deduct therefrom the working expenses which consist of the actual cost of the maintenance of the Railways and what is known as programme revenue which, in popular terms, may be called repairs and maintenance. The residue left is called profits, and it is apportioned between the companies concerned and the Government. What Mr. Neogy wanted to accuse the Government of was that during all these years you have not been setting aside out of the working expenses a definite portion for repairs and maintenance but have been transferring this amount to your net profits which are divided between yourself and the companies concerned. What is the reply of the Honourable Mr. Hindley? He says the general tax-payer has benefited at the expense of the depreciation to the tune of 45 or 47 crores of rupees. But my Honourable friend could not have forgotten that the Railways belong to the general tax-payer and what was paid to the tax-payer was his own money. My Honourable friend must not also forget that in the Acworth Committee's Report, it has been very clearly pointed out that many of the companies, for instance, the East Indian Railway and the Great Indian Peninsula Railway, are really no companies at all in the right sense of the term, and therefore when you apportioned the general net profits and gave them over to the companies, you gave them money which was not justly due to them. I will go further and say that even if you benefited the general tax-payer, you did so at the cost of the railway concerned. It was your duty to see that the amount set apart

for repairs and maintenance was not diverted to another purpose, and that is what Mr. Neogy complains of. In the long series of years, not merely during the war but in the years preceding the war and since, you have been sacrificing the amount intended for depreciation, for repairs and maintenance, and you have been transferring it to net profits and dividing it between yourself and the companies concerned. What justification had you for this course of action? That is a point on which my friend Mr. Hindley has vouchsafed no reply to this House, and I submit that is the gravamen of the charge levelled against the Government by the Honourable Mover of this amendment.

Rai Bahadur Bishambhar Nath (Allahabad and Jhansi Divisions: Non-Muhammadian Rural): Sir, I find that the working expenses of the Indian Railways have risen from 29.35 crores in 1913-14 to 67.99 crores in 1922-23. The percentage on this has been 131 per cent. on maintenance, 125 per cent. on locomotives, 235 per cent. on carriages and wagons and 136 per cent. on special and miscellaneous expenditure. These charges are serious and call for a searching inquiry. It is surprising that the cost of the same or similar works . . .

Mr. President: The Assembly has passed from the discussion on working expenses, and it is now discussing an amendment on Surplus Profits.

Mr. J. Chaudhuri (Chittagong and Rajshahi Divisions: Non-Muhammadian Rural): Sir, I would give a simple answer to my friend, Dr. Gour. If the tax-payers have taken that money out of Railways, we in our last year's estimates made amends for that. We not only voted 30 crores last year, we altogether voted 150 crores for five years. So whatever we may have taken out of railway revenue we are now refunding and a substantial portion of that 150 crores will surely be appropriated for renewal purposes. We have now made ample amends for appropriating railway revenue for general purposes.

Dr. H. S. Gour: Sir, I rise to a point of order. I think I made myself perfectly intelligible that I did not complain of the tax-payers receiving back their money, but what I do complain of is that the companies have received money to which they were not entitled.

Mr. J. Chaudhuri: As for that the Limitation Act would also stand in the way. If this was done three years ago, of course, we cannot sue the shareholders and get a refund. So, the only reasonable course left to us would be to keep the railway accounts now in proper order and allow for depreciation and build up a reserve; that will accomplish the object the Mover of the amendment has in view.

The Honourable Mr. C. A. Innes: Just one word, Sir. I do not think there is anybody on the Government Benches, Sir, who will quarrel with what Dr. Gour has said. I think we all admit that the methods adopted during the war were unwise methods and we are paying for them now. We are all perfectly conscious that during the war we should not have paid away these large sums as windfalls to the general tax-payer and as surplus profits to the companies. The general tax-payer benefited and in accordance with the terms of the contracts the shareholders also benefited. It is merely a matter of the contracts. The only two points which seem to me relevant at the moment are these. In the first place it is no use crying over spilt milk and it is no use trying to recover this money from the shareholders. The other point is that it is up to us to see that we do not make

[Mr. C. A. Innes.]

this mistake in the matter again. That is the very reason why we are taking this advice of the Central Advisory Council. We set this Committee to work out proposals for a depreciation fund and those proposals have been approved in principle by the Incheape Committee in paragraph 7 of their report. If we adopt these proposals I do not think that the House will in future have cause to complain against the Government of India in this manner.

The motion was, by leave of the Assembly, withdrawn.

Sir Montagu Webb: Sir, I rise to a point of order. In the Demand for Grants which has been placed before this House, Annuities in purchase of Railways is shown under the head of "non-voted." But I have been unable to discover, Sir, why this has been done. I find that according to clause 67A of the Government of India Act that "the proposals of the Governor General in Council for the appropriation revenues or monies relating to the following heads shall not be submitted to the vote of the Legislative Assembly" and the only one of those heads that has any resemblance to this particular Demand for annuities is "Interest and Sinking Fund Charges on Loans." I submit, Sir, that this is not an interest or sinking fund Charge on Loans. This is purchase money which is being paid by Government for certain railways, and, that being so, Sir, I am unable to discover why this House should not express its views on the Demand for that purchase money which does not appear to be debarred under section 67A of the Act.

Mr. N. M. Joshi: On the point of order, Sir, I would like to draw your attention to the last year's budget statement, in which part of the annuities was shown to be votable, that is, these 167 lakhs of which I have given notice. I put that figure especially because I found from last year's budget statement that that item of 167 lakhs was shown as votable. I do not know what has happened in the meanwhile to make that item not votable. As a matter of fact that item of 167 lakhs 87 thousand appears in this year's statement also as Members will notice if they look at Appendix B, State Railways. And this same figure was shown in last year's budget to be votable. I therefore think that there must be some mistake in this.

The Honourable Sir Basil Blackett (Finance Member): Sir, as regards the last point, taking it first because it is quite a simple question of fact, last year exchange was not distributed under the various heads voted and non-voted, but was taken as a single voted head. This year exchange has been distributed under each item. The item which therefore appeared as voted last year was really the exchange on this non-voted item of sinking fund and is now properly included as non-voted.

As regards the main point as to whether this is properly a non-voted charge, it seems to me rather far-fetched to say that an annuity which is an interest *plus* a sinking fund is not an interest and sinking fund charge. (*Sir Montagu Webb:* "On Loans.") On the general principle on which this interest and sinking fund charge was treated as non-votable, the procedure was based quite clearly on the procedure in the United Kingdom, where consolidated fund charges are not submitted to the actual vote of the House for the specific purpose of making it quite clear to the creditors of the State that sums which are due to them are not liable to run the gauntlet every year of voting in the House. But I would submit further that

whatever the merits of the question on which I think there is no doubt, though certain Honourable Members seem to think there is doubt, section 87A (iv) of the Act, which has been quoted, says:

“If any question arises as to whether any appropriation of revenue or money which is made does not relate to the above heads, the decision of the Governor General on the question shall be final.”

And it is in accordance with the directions of the Governor General that this has been included as non-voted.

Dr. H. S. Gour: May I ask the Honourable the Finance Member whether it is in accordance with the general directions of the Governor General that this has been transferred to the non-votable items or whether that is a decision of the Governor General?

The Honourable Sir Basil Blackett: This has not been transferred. It is a non-votable item.

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadan Urban): Sir, I want to point out to refresh the memory of the Members on the Government Benches that last year we had the precedent of this item being discussed in this very House. I myself raised the point and the Honourable Sir Malcolm Hailey then made a speech and gave an answer to the arguments that had been advanced in the debate. If an item has been admitted as discussable by this House in one year, I do not see how the Governor General, in spite of the powers vested in him, can in the next year rule that that item should be a non-votable one.

The Honourable Sir Basil Blackett: Sir, I think the Honourable Member is mistaken in thinking that this question of the annuities was discussed last year at this stage of the budget. It was discussed in the general discussion, and again this year, on the budget. Therefore, because under the specific directions of the Governor General it was submitted for discussion on the general budget, I submit that it is not in order now.

Mr. Jamnadas Dwarkadas: It was not in the general discussion, Sir, but in the discussion of demands for grants that this item was discussed. If I had the debate here I could at once find . . .

The Honourable Sir Basil Blackett: I submit, Sir, that this does not really affect the question.

Mr. President: The explanation given by the Honourable the Finance Member why the item appears under one head this year and under another head last year disposes of the matter. And in any case, as he has pointed out, the Governor General is the authority concerned and not the Chair. The point of order is one which cannot be settled by the Chair. I must assume that, with the exception of printer's errors, items printed in italics are non-votable.

Mr. Jamnadas Dwarkadas: Is precedent not a sufficient ground for the House to insist on discussing this item? It was discussed last year.

Mr. President: I take the explanation given by the Honourable Sir Basil Blackett, that it appeared in one column last year and in another this year, as sufficient. Does the Honourable Member mean that if one mistake was made, it ought to be repeated?

Sir P. S. Sivaswamy Aiyer (Tanjore *cum* Trichinopoly: Non-Muham-
madan Rural): Sir, I concede that if a question has been raised whether
a certain proposed appropriation of revenue does or does not relate to
the above heads, the decision of the Governor General on the question is
final, however patently absurd it may be. But does not clause 4 imply
that there should have been a question raised? Does it or does it not mean
that a question has been raised, and that on the question so raised, the
decision of the Governor General has been pronounced? Now I do not
think it can be fairly contended that before any question arises the Governor
General can pronounce a binding decision. Nor can I believe that this
question could possibly have been submitted to the Governor General in
anticipation and a decision obtained from him, before any question at all
was raised. It seems to me that the finality declared by clause 4
postulates the previous raising of a question and the deliberate application of
the Governor General's mind to a specific question duly raised. May I know
when the question arose and when it was submitted to the Governor
General for his decision?

Dr. H. S. Gour: Sir, I wish to raise another point in that connection.
If you see section 67A, clause (5), you will find that it lays down the
general rule that the proposals of the Governor General in Council for the
appropriation of revenue or monies relating to heads of expenditure not
specified in the above heads shall be submitted to the vote of the Legis-
lative Assembly in the form of demands for grants. That, Sir, is a general
rule. Then we have the exception. The exceptions are specified in the
above heads. These are clauses (1) to (5). Now, therefore, we come back
to clause (1). Clause (1) lays down 'interest on sinking fund, charges and
loans.' My Honourable friend, the Finance Member cannot contend that
an annuity is a loan.

The Honourable Sir Basil Blackett: I do.

Dr. H. S. Gour: He says he does. I submit that is a
matter upon which a question has arisen between himself and the
Members of this House, and the decision under clause (4) must be of the
Governor General. Therefore, I submit my Honourable friend, Sir Montagu
Webb's motion cannot be ruled out of order without a decision of the
Governor General . . .

Mr. President: These demands are presented on the authority of the
Governor General. I must assume from the point of view of the Chair
that they have not been presented behind the back of the Governor
General.

Dr. H. S. Gour: With due respect to the Chair, the directions and
general control of the Governor General is one thing,—a decision on a
specific point raised under clause (4) is quite another thing, and I submit
there is no decision; and does my friend contend that he has ever taken the
decision of the Governor General as required by clause (4) of section 67A?
I ask him to answer that question.

Rao Bahadur T. Rangachariar: As this is a point of law which has been
raised, I may draw your attention, Sir, to clause (2) also of section 67A,
that is, sub-clause (ii) of clause (3), that is, 'expenditure of which the
amount is prescribed by or under any law.' Under section 20 of the Gov-
ernment of India Act the revenues of India shall be received for and in the
name of His Majesty and shall, subject to the provisions of the Act, be
applied for the purposes of the Government of India alone. There shall be

charged on the revenues of India all the debts of the East Indian Company—clause (3) is important in this connection—all expenses, debts and liabilities lawfully contracted and incurred on account of the Government of India. Under that clause, this sum, which is allotted really for the payment of this debt, for the purchase of railways, will come under sub-clause (ii) rather than under sub-clause (1), and therefore it may be rightly regarded as having been put under a non-voted head. As regards clause (4) of section 67A, there is a preliminary condition, Sir, that a question should arise. I am not sure that any question arose between the Honourable the Finance Member and His Excellency the Governor General with reference to this matter. A question should arise, and then only His Excellency has to decide. Before any question arises, there can be no decision. 'If any question arises'—that is a condition precedent: unless therefore this comes under sub-clause (ii), this should not be rightly placed under a non-voted head. My own feeling is that it comes under sub-clause (ii).

The Honourable Sir Basil Blackett: Sir, my Honourable friend, Mr. Rangachariar, points out, if this does not come under section 1, it does come under section 2, which is 'expenditure prescribed by an Act of Parliament.' As regards the other point that was raised, the whole of the question as to what should be voted and what should not be voted in the Demand Grants was specifically raised and studied, and it is under the orders of the Governor General that the classification now shown in these estimates takes place. The specific question as to whether these particular annuities should or should not be included as non-voted has not to my own knowledge been raised in the form of a question by anybody where there was any doubt on the subject,—I myself do not admit that there is any doubt—but the general point was raised, and these particular annuities were included under the orders of the Governor General as non-voted.

Dr. H. S. Gour: I think the Honourable the Finance Member could not be unaware of the fact that though the exception is 'of which the amount is prescribed by or under any law', the amount we are concerned with here is 3 crores and odd. Surely no Act of Parliament has prescribed the payment of this amount, and therefore clause (2) is entirely outside the question. If it comes under any clause, it would come under clause (1), and I submit it does not come under clause (ii), and there is no decision of the Governor General as provided in clause (4).

The Honourable Sir Basil Blackett: Sir, Dr. Gour is mistaken as regards the second point.

Mr. President: The discussion must necessarily be fruitless if Honourable Members think that they can obtain a decision from the Chair. If there is a point really in doubt, the decision rests with the Governor General and with nobody else.

The Honourable Sir Basil Blackett: It is not exactly in accordance with the facts to say that it appeared as voted last year; a portion of it, that is, the exchange portion, appeared as voted, but the main portion appeared, and always has appeared, as non-voted.

Mr. Jamnadas Dwarkadas: A crore and 60 lakhs appeared as votable.

Mr. President: The Honourable the Finance Member stated last year—
if Honourable Members will look at page 3129 of the Assembly Debates,

[Mr. President.]

Volume II, (Part III), that the "total sum given there as annuities for purchase of railways is Rs. 5 crores and odd, and that it consists of two items: Rs. 1 crore 67 lakhs, which represents the exchange portion"—that has now been transferred?

The Honourable Sir Basil Blackett: Yes. It is a sterling sum of course.

Mr. N. M. Joshi: Sir, I move:

"That the provision for Miscellaneous Railway Expenditure under the head 'Railways' (page 29) be reduced by Re 1."

My object in moving this motion for reduction is to raise two or three points as regards Railway management. Sir, if it be permissible
 4 P.M. for me to do so, the first point I would raise is that of the annuities. These annuities are being paid by the Railway Board from our revenues instead of making it Capital expenditure. Sir, this method of wiping out our Capital is a wrong method altogether, and in order to show that it is a wrong method, I shall quote one authority. Sir Henry Kimber in his evidence recorded at page 146 of the Report of the Indian Railway Committee, 1921-22, states:

"The principle of converting debt into terminable annuities is quite legitimate and a good plan for any nation to adopt as regards its national debt, but it is quite otherwise to apply it for writing off a valuable asset."

Sir, by this method the Railway Board is wiping out a very valuable asset and, as I stated in my speech during the general discussion of the Budget, if you wipe out your Capital, naturally you reduce the incentive for the Railway Board to economise the working expenses. I therefore feel that this House should express its opinion on this point by adopting my motion. The second point that I wanted to raise was about the sinking funds. Sinking funds are also debited to Revenue account instead of being debited to Capital account.

The Honourable Sir Basil Blackett: On a point of order, sinking funds are also a non-voted item. Is the Honourable Member in order, Sir, in discussing it?

Mr. President: I called on the Honourable Member to move motion No. 140.

Mr. N. M. Joshi: My motion is for reducing rupee one which should come out of the expenses of the Railway Board which manages our Railways. I thought in discussing the expenses of the Railway Board it would be a matter of principle for this House to give certain directions to the Railway Board as to how they should manage their financial affairs, and I therefore thought that I could therefore speak on this point. But still if you rule that I cannot make a speech on that point, I shall turn my attention to another point. Am I in order, Sir?

Mr. President: The Honourable Member is entitled to move Reduction No. 140, Miscellaneous Railway Expenditure, which includes the Railway Board.

Mr. N. M. Joshi: Sir, the Railway Board also pays the sinking funds out of our revenues.

Mr. President: The Honourable Member cannot move that. If he will look at the order issued by the Governor General in Council, he will find that the heads of expenditure specified in sub-section (8) of section 67A of the Government of India Act shall be open to discussion by the Legislative Assembly when the Financial Statement is under consideration, that is on the first two days of the General Discussion, and not on the Demand for Grants.

Mr. N. M. Joshi: Then, Sir, I shall turn my attention to another matter of principle. It is this.

Mr. N. M. Samarth: That clause says, Sir:

"That the proposals of the Governor General in Council for the appropriation revenue or moneys relating to the following heads of expenditure shall not be submitted to the vote of the Legislative Assembly, nor shall they be open to discussion by either Chamber."

This means discussion by both, this and the other Chamber, which latter has no power to vote; and it goes on:

"at the time when the annual statement is under consideration, unless the Governor General otherwise directs"

This cannot mean that we cannot discuss non-votable items at the time of the voting of grants. I submit that we are voting on the general head 'Railways,' and if anybody proposes a reduction of the demand by one rupee, we can go into the whole question as to the whole expenditure on Railways whether votable or non-votable. I submit we are quite entitled to do it. We shall vote upon whatever is submitted to our vote. That does not mean we are prevented from discussing the whole question of Railway Administration. That is my submission, Sir.

Mr. N. M. Joshi: May I also on the point of order state that during last year's budget discussion, we voted on a motion for the reduction of the establishment of Army Department by rupee one. If that could be voted upon and discussed in the House, I do not know why this should not be discussed.

Mr. President: The Honourable Member stated that reduction was made in a non-voted item. I am quite sure that the Honourable Member did not move for a reduction in the non-voted item. The Honourable Member is now attempting to move a reduction in a non-voted item, though in the disguise of a votable item. As I have said, the order of the Governor General referred to the general discussion of the Budget in the first two days. The Demands for Grants do not include the non-voted items. They only include the votable items.

Dr. H. S. Gour: May I in this connection point out that a question of this character can only arise after the estimated annual expenditure and revenue are laid in the form of a statement before both Chambers of the Indian Legislature? [Section 67, clause (1).] Consequently, the question as to whether a certain specific item is votable or non-votable cannot arise unless the estimated annual expenditure is laid before this House and then a question is raised and a decision come to by the Governor General. I submit, therefore, Sir, that both Sir Montagu Webb's and Mr. Joshi's amendments are in order unless a question is raised by the Honourable the Finance Member and a decision obtained from the Governor General as provided in clause 4.

Mr. Jamnadas Dwarkadas: Sir, I think what Mr. Joshi wanted was not to cut down Re. 1 from the non-votable item. My Honourable friend, Mr. Joshi, cited the case of the debate that took place on the Army expenditure. We deleted Rs. 100 out of the Army expenditure which was votable in the course of a discussion. If you refer to the pages which contain that discussion, you will find that the reason for cutting down was the heavy military expenditure, the policy of which was criticised by this House. I hold, Sir, with due deference to you, that it is the right of the House in cutting down a votable item to bring the reason for cutting down the heavy expenditure on the non-votable item.

Mr. President: It is not in the power of the Chair to go behind the Government of India Act or an order made by the Governor General under the Act.

Dr. H. S. Gour: Where is the order?

Mr. President: The order only refers to the general discussion of the financial statement.

Mr. J. Chaudhuri: May I suggest that the question be referred back to His Excellency the Governor General and the debate be postponed?

Mr. N. M. Joshi: Sir, I shall, after your ruling, leave the annuities and the sinking funds. The third question that I would like to raise on this motion is about the necessity for the Railway Board to pay sufficient attention to the conditions of life and service of the Railway employees. Sir, it was only last year that there was a very big strike on the East Indian Railway, and on account of that strike our revenues have suffered.

Mr. President: The Honourable Member should not raise that on the present discussion. Payment for working expenses includes payment of wages by the Railway Administrations to the employees under their control. Miscellaneous Railway Expenditure includes the Railway Board and in the case of the Railway Board, it can only refer to the persons composing it. The Honourable Member cannot raise that question.

Mr. N. M. Joshi: May I, Sir, point out to you my difficulty. The only place where I thought I could raise certain questions of general principle was the expenditure of the Railway Board, because the Railway Board is in charge of our Railway management, and if I cannot do that, I shall be certainly handicapped because there may be no other item of such a general character where I could have raised it.

Mr. President: The Railway Board is not the direct employer of these persons to whom the Honourable gentleman has referred.

Mr. N. M. Joshi: Yes, Sir, to the extent to which the Railway Board manages the property of the Government. 95 per cent. of the capital of our railways is Government capital and therefore the Railway Board is naturally responsible for certain general conditions of life and service of the people. I am not going into the detailed question

Mr. President: It has been laid down that on a question of that sort the authority responsible is the Railway Administration itself, not the Railway Board. The precise responsibility of the Railway Board may be difficult to define, but if the Honourable Member wished to raise that question and the effect of reductions of the railway staff, he should have

done so under Working Expenses. Indeed that question was discussed very freely this morning by the Chief Commissioner for Railways and others.

Mr. N. M. Joshi: Sir, I am not raising that question of retrenchments at all. I am raising a point which is only in the competence of the Railway Board, namely, the establishment of Joint Councils and Joint Boards of railways in order that the grievances of the railway employees should be heard. I think that is only within the competence of the Railway Board, and if I have your permission I shall only speak a few words on that point. Sir, last year's strike caused a great amount of loss to Government as well as to the railway employees. It is necessary that we should devise some machinery by which the grievances of the railway employees will be considered by a body on which they will be represented and by which strikes may become unnecessary, and if not prevented, at least delayed. Railway employees go on strike out of sheer helplessness and because they see no other way open to them to get their grievances redressed. Now such machinery has been created in England and other countries. Sir, I therefore request the Government of India and the Railway Board to establish such Joint Boards where the representatives of the employees and of the Railway authorities will meet together and discuss questions of the conditions of life and service of the railway employees. In England there are Local Committees and then above the Local Committees there are Sectional Councils, then there are Railway Councils, then there are Central Wages Boards, then National Wages Boards, where not only the representatives of the employees, and of the Railway authorities, but the representatives of the users of railways are also present. I therefore think that that machinery should be adopted by the Government of India without delay, so that the grievances of the employees may be redressed without resort to strikes. You can ask the Railway employees not to go on strike till these Committees and Councils consider their grievances. On the other hand, Railway employees also will have a right to have their grievances heard by a Committee instead of only one person in authority. I therefore think that the Government of India will take this point into consideration.

There is, Sir, another point which I want to raise on this motion and I shall do that very briefly. The point is the treatment given to third class railway passengers. Sir, the Government of India this year have been very kind to place before us a memorandum in which they have given certain details of the measures which they have adopted for the improvement of the travelling facilities for third class railway passengers, but my contention is that these facilities are inadequate. In order to show in a very few words that those facilities are inadequate and the expenditure incurred is insufficient I will only place before the Assembly a few figures. Sir, our passenger traffic consists mostly of third class passengers. If there is one person in the 1st, 2nd and Intermediate classes, there are 27 persons in the third class. The third class railway traffic is 27 times as much as the 1st, 2nd and Inter classes put together. And if you take our earnings, the earnings from the 3rd class are five times as much as the earnings of the 1st, 2nd and Inter classes put together. Sir, these are the figures as regards the number of passengers and as regards the earnings. But when we come to the expenditure for the improvement of the conditions of travelling for the 3rd class passengers what do we find? Unfortunately I could not find any exact figure in the volumes given to us, but from a little search that I made, I could form a rough estimate, that is, that the expenditure incurred by Government on improving the conditions

[Mr. N. M. Joshi.]

of travelling for third class passengers was only one and a half times that of 1st, 2nd and Inter classes put together. Sir, I do not know why this should be. If you take the number, the third class passengers are 27 times as much as the 1st, 2nd and Inter classes put together; if you take earnings, the earnings from the 3rd class are five times as much as those from the 1st, 2nd and Inter classes together. If you take all human beings to be equal, the expenditure ought to be 27 times as much because the number of 3rd class railway passengers is 27 times that of the others. But, Sir, in this 'practical' world we look more to finance than to human life. But even taking the financial side, if the 3rd class railway earnings are five times as much as those of the 1st, 2nd and Inter classes put together, the expenditure on improving the conditions of 3rd class travelling ought to be at least five times as much as the expenditure on the 1st, 2nd and Inter classes together, but what do I find? I find that the expenditure is not even twice as much as the expenditure on the 1st, 2nd and Inter classes. I therefore think that the Railway Board will very soon present a statement showing what amount of money they have spent for improving the travelling facilities of the 3rd class railway passengers, and also what they are doing for the 1st, 2nd and the Inter classes. I want a comparative statement. Without comparison you cannot really find out whether Government are doing their level best or not.

Sir, I want to draw the attention of the Government to another matter, namely, that in their Advisory Councils for railways both central and local they ought to include representatives of the third class railway passengers. I do not say that the present members of the Central Advisory Councils do not look to the interests of the 3rd class railway passengers; but even they will admit that if one of them is nominated by Government as a representative of the 3rd class passengers, he will find his hands strengthened, and he will be responsible to the 3rd class passengers in the country who will look to him to represent their grievances to the railway authorities. I therefore think that the Railway Board should pay serious attention to this question and very soon put on the Central Advisory Board a representative of the 3rd class railway passengers and insist upon such representatives being put on local Advisory Councils.

Sir, I also want to make another point, that the Railway Board gives more attention to the goods traffic than to the passenger traffic. Sir, in the memorandum given us by the Railway Board they have stated that they are spending three crores of rupees on passenger traffic while they are spending 5 crores of rupees on goods traffic—I am only talking of improvements—while the revenue received from the passenger traffic is 40 crores and that from the goods traffic is 50 crores. The revenue from the goods traffic is only 10 crores more while the proportionate amount spent for goods traffic improvement is much more than the Railway Board ought to spend.

Sir, under miscellaneous expenditure I also want to raise one small point, and that is about 'Surveys.' The Government of India's present policy is not to spend a large amount of money on the construction of new lines and therefore there is no need for spending money on new surveys. The Government of India have already spent crores of rupees on making surveys and I do not know how many lines of railways have been surveyed by them. The list will go into thousands, and I do not know why they should add to the list which already exists by spending lakhs of rupees on new surveys. I therefore think that this expenditure on new surveys

is absolute waste, because the lines which we have already surveyed cannot be constructed unless we have got hundreds of crores of rupees. Why, therefore, should we spend money on making new surveys?

Sir, these are the points on which I wanted to raise a general discussion, and I think the House, in order to show their sympathy with the railway employees and the third class railway passengers, will accept my motion.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Sir, there is only one out of the many points which Mr. Joshi has touched upon with which I wish to deal and to which I wish to give my support. It relates to the general administration of the employees of the railways. He has put before this House certain facts which I, from personal knowledge, can corroborate, and in support of this he has asked the House to support his motion so as to get an expression of opinion from the Railway Board as to whether this state of affairs will be corrected. He referred to the dissatisfaction at the treatment that is meted out by Railway officials to the staff. Sir, I have ample evidence to support this state of affairs at least on one Railway in particular (*Dr. Nand Lal*: "Not to the staff.") I do not mean the superior staff. (*Dr. Nand Lal*: "He meant to the third class passengers.") My remarks regarding the staff come under the General Administration of Railways (*Dr. Nand Lal*: "I cannot understand that.") There are certain committees and bodies that are in operation in England called the Whitley Committee, etc. I believe that the Post and Telegraph Department is introducing a similar Committee in some of their larger offices in India, and I think it would be a good plan if all Railways in India were to emulate this example, especially when one realises that it was quite recently that the Railway Board issued a circular to all railways (it seems to me that the various railways at their own sweet will and pleasure, and when it suits their own convenience, accepts or rejects circulars or mandates from the Railway Board) based on the Government Servants' Conduct Rules prohibiting any railway servant from bringing any grievances to the notice of any Member of the Indian Legislature. I consider that the employees of all Railways, be they State Railways or Company-managed, should not be deprived of this inherent civic right, and I will tell you why. Certain Railways seem to be singular in the limited application and attention they give to their subordinates when they appeal against punishments meted out to them by their Railway Officials. I have had occasion to write to various railways on this very matter. If a railway employee enjoys the right of a vote, I fail to see why he should be deprived from bringing his grievance to the notice of his representative. Besides that, there are innumerable cases in which Railway subordinates have for petty offences been summarily dealt with, and I consider that it is not fair to deprive these employees of this legitimate means of redress. This state of affairs once obtained in many departments in England and to remedy this the Whitley Committee were put into operation. I would suggest for the consideration of the Railway Board the introduction, as has been done in the Indian Post and Telegraph Department, of such a Committee of Adjustment on all Railways consisting as it does of representatives of both employers and employees. I wish to assure the House that on certain railways and in certain departments there is a very acute feeling of resentment and discontent on this subject and would be failing in my duty if I did not publicly state here that certain railway employees do not get adequate justice from their Departmental heads. It is to remedy this that I wholeheartedly support Mr. Joshi in his remarks and I therefore bring this

[Lieut.-Colonel H. A. J. Gidney.]

matter to the very serious and early notice of the Railway Board and ask them seriously to consider whether this unjust state of affairs could not be remedied and the employees of all railways be given a safeguard against this treatment which I would call bureaucratic or autocratic administration of justice on the part of certain railway officials.

Mr. K. Muppil Nayar (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I have also a similar proposal which I gave notice of for the purpose of eliciting information.

In the first place I wish to mention that I had before the publication of the Railway Committee's Report, given notice of a Resolution recommending the appointment of representative non-official local advisory bodies to the various Agents of the managing agencies of Indian Railways. For one reason or another I was unable to move the Resolution, but when I wanted to bring up the matter lately I learnt that the Government contemplated taking action in this matter. I now wish to ask what the Government's proposals are both regarding State-managed and Company-managed railways in this connection.

I also want to know when we may expect an actual beginning of work in connection with the Shoranur Manantody Railway.

Lastly, I want to know if there is a chance of the restoration of the Mangalore mail which I understand was autocratically cancelled due to an inter-company quarrel without the least regard to the convenience and comfort of the public.

Munshi Iswar Saran (Cities of the United Provinces: Non-Muhammadan Urban): Sir, with your permission, provided I am in order, I wish to offer a few observations about the constitution of the Railway Board itself. I take it, Sir, that I am in order, and I shall therefore proceed. Ever since the constitution of the Railway Board, there has been in political circles a great deal of feeling against it, but we find that the Railway Board, which the Acworth Committee calls the stepchild, I do not know of whom, has been severely criticised by the Acworth Committee as well as by the Retrenchment Committee. Before I proceed any further, Sir, I wish to say a word about the Acworth Committee's Report and the Report of the Retrenchment Committee. It is not for me to sit in judgment on the respective merits of the distinguished men who sat on these Committees. But I shall say this that, as regards any retrenchment or as regards any reforms that are advocated mainly on financial grounds, the proposals that have been made by the Retrenchment Committee carry far greater weight with us than the recommendations suggested by the Acworth Committee, and the reason is obvious. If the House will turn to the Report of the Acworth Committee it will find from its terms of reference that at the time that the Acworth Committee was appointed there was no question of retrenchment.

What that Committee was asked to do was to make recommendations about the following subjects: (a) direct State Management; (b) management through a Company domiciled in England and with a Board sitting in London; (c) management through a Company domiciled in India and with a Board sitting in India; (d) management through a combination of (b) and (c); and advise as to the policy to be adopted as and when the existing contracts with the several Railway Companies can be determined. I venture to think that the real question which the Acworth Committee had to decide was the case of Company Management *versus* State Management.

Now when we come to the constitution of the Retrenchment Committee we find from the terms of reference that it was to make recommendations to the Government of India for effecting forthwith all possible reductions in the expenditure of the Central Government, having regard specially to the present financial position and outlook. In so far as questions of policy are involved in the expenditure under discussion, these will be left for the exclusive consideration of Government, but it will be open to the Committee to review the expenditure and to indicate the economy which might be effected if a particular policy were either adopted, abandoned or modified. My submission is that as far as the cuts in expenditure and the policies and principles based on financial consideration are concerned, the House will do well in being guided by the recommendations of the Retrenchment Committee, not because I mean for a moment that there is any superiority in this Committee over the other, but because this Committee, the Retrenchment Committee, was called upon to consider the question of economy, when it had the advantage and the very great advantage of having the report of the Acworth Committee before it. I therefore say that the remarks made by the Honourable Mr. Innes about the Retrenchment Committee and its inability to fully appreciate some problems, have left me utterly unconvinced. Now both these Committees, as I said at the outset, are against the Railway Board. What do we find them say? The Acworth Committee say:

"The function of the Railway Board is not to carry out routine duty but to shape policy, to watch, to think and to plan;"

And by implication they say that the Railway Board has failed in discharging its function in these respects. They say how: the details came to be centred in their hands, and have considered—I need not go into all the details—the various complaints that were made against the Railway Board. They tell you the number of communications sent up and so on. What they say in effect is that all this must change. The constitution of the Railway Board, they say, must undergo a change and they propose a scheme of their own.

When we come to the Report of the Retrenchment Committee, we find the same thing. They too are not very pleased with the Railway Board, and what they suggest is that there should be one Member of the Executive Council in charge of Railways who ought to have one Chief Commissioner for Railways and one Railway Financial Adviser. Now I understand, Sir,—that the reconstitution of the Railway Board is under consideration. I wish to know whether this Railway Board is to remain; but before I proceed any farther I wish to make it clear that I have nothing to say personally against any Member of the Railway Board. If I make any remarks, those remarks should be taken as directed against the system and not against the men who administer it.

Now what I wish to know is what is going to be the constitution of the Board? Are these officers to remain under different names? Are these three officers to remain or is the Government going to adopt the recommendation of the Retrenchment Committee? Because it will be noticed that according to the Retrenchment Committee's Report, very large powers are going to be given to General Managers of different Railways and very many matters of detail will not be coming up to the Railway Board. Under these circumstances, I do strongly think that it is necessary that the recommendation of the Retrenchment Committee should be accepted on this point. Then there is another matter and it is this, the Railway Board has failed in Indianising the services under its control. (An

[Munshi Iswar Saran.]

Honourable Member: "What about Indianising themselves?" They can Indianise themselves after they have Indianised their services. I do charge the Railway Board most deliberately for not having taken all those steps which we might well have expected it to take. Of course, in reply the Honourable Mr. Innes, in one of his most sweet, reasonable, conciliatory, though not convincing ways, will say "We used to have four inspectors before, we have now appointed six. Isn't that progress?" and we shall cheer. "We used to have seven ticket collectors before. Their number has been increased to nine; and indeed we are in considerable sympathy with all that you say; but don't hustle us. Look at the progress made so far." And some of us are so constituted that we are transported to the seventh heaven of bliss and delight whenever any official announcement is made which may have even the faintest trace of what might be regarded as progress. Unfortunately I am not that way built. Whenever an announcement is made, I wish to look into it and examine it carefully. Now, look, Sir, at what happened in another place when the question of the appointment of railway inspectors was raised. One gentleman, I suppose some Member representing the Railway Department, said, "Oh, well, we are doing all that we can; we are in great sympathy, but we want men of proved merit and ability." This efficiency, according to the Hindu theory of transmigration, has been born again and has now got the name of 'proved ability and merit.' It is efficiency no longer. And the reply of this gentleman compelled a very distinguished and a most highly respected countryman of mine to get up in that same place and say, "Oh, we have had enough of your sympathy and we have heard enough of your efficiency." I repeat that remark, Sir. It was made by a very distinguished man indeed. I say, look at your workshops; what has been done? I shall be told—Mr. Innes will tell us—"Oh, we are considering a scheme of education, of taking these boys into the workshops;" but I shall beg Mr. Innes, if he will attach any importance to what I say, to get into our skins and to see how we feel really the way in which practically the door is banged in our face. It is no good saying that out of hundreds of appointments you have got a few Indians here and a few Indians there. I repeat, Sir, that I hold the Railway Board responsible for this, and I suppose there is no one in this House who will not sympathise with me including my Honourable friend, Colonel Gidney, who is not here. The gallant Colonel is in a most peculiarly happy position; when there is a question of appointments he is an Indian; when there is a question of opposing political progress and political reform, he is something which I cannot describe

Lieut.-Colonel H. A. J. Gidney: That is not true, absolutely untrue.

Munshi Iswar Saran: Sir, the other day we talked about communal representation, but I say if there is one department where you do really want this Indian representation it is the Railway Department. Perhaps the remark will at once be made "Have you got knowledge of these railways and experience? Do not begin to run before you have learnt to walk." But what I pray of these gentlemen is to allow us to creep at least; they do not do even that. They will say "We are thinking, cogitating, discussing, appointing committees, considering reports; but we are in considerable sympathy with the object." But what is the result? I shall ask the gentleman who might answer for the Railway Board to tell us here and now in clear and distinct language what has been the progress that has been made since this Reform Council came into existence. Is not that a fair question? If my Honourable Colleagues are satisfied with

the progress that has been made, then well and good; if they are not satisfied, I submit it is up to them to pass this vote as a vote of censure—I do not mind saying so—on the Railway Board for not having given effect to this policy. Why, Sir, the gentleman who represented the Railway Board in answer to a question of my friend Mr. Samarth said as follows: The question was:

“Will Government be pleased to state what action they have taken or propose to take on paragraph 32, pages 22-23 of the Majority Report of the Royal Commission on Public Services in India, as regards their recommendation that a determined and immediate effort should be made to provide better educational opportunities in India, so that it may become increasingly possible to recruit in that country the staff needed to meet all normal requirements of the Locomotive and Carriage and Wagon Departments of the Indian Railways?”

Listen to the reply:

“Government in despatch No. 15-Ry., dated the 16th August, 1919, advised the Secretary of State that it was difficult to obtain in India suitable recruits for the Superior Locomotive and Carriage and Wagon Departments and that no substantial change in the immediate future could be looked for

But, of course, it ended with sympathy:

“At the same time, it was pointed out, that Government were by no means oblivious of the need for giving Indians the training recommended by the Commission and reference was made to proposals sanctioned in 1918 under which selected Indian graduates receive a preliminary training in the workshops of the East Indian Railway at Jamalpur or Lilloah and are then sent to England at the Company's expense to complete their training.”

I need not read the other questions. Now, this is how the matter really stands. You are told that you do not get amongst Indians, specially of the respectable classes, men who will take off their coat and work. That might have been true sometime back; but go to the Benares Hindu University and go to the Engineering College; and you will find boys, bright lads of respectable families, who take their coat off and do work there. Sir, I have heard it from a very reliable gentleman whose name I shall not mention, that in Ajmer young man after young man went into the workshops but was not given admission. The answer given was “This workshop is meant for the sons of artisans and labourers.” I have no reason at all to doubt the statement made by that gentleman to me; and I put it to the House, is that a satisfactory state of things?

I do not wish to detain the House. One word more. I was travelling the other day and I met an Anglo-Indian boy about 18 years of age; he was going to Delhi on business and that boy was getting Rs. 60 a month, and perhaps Rs. 2 a day as travelling allowance and that boy told me that he got this appointment two years ago. Can you imagine an Indian boy getting an appointment in the Railway Department at 16? So I submit, Sir, the Railway Board has failed to give effect to the policy of Indianisation and on that ground alone I shall ask and most earnestly ask the House to mark its sense of disapproval by accepting the amendment that my friend has proposed.

Dr. Nand Lal (West Punjab: Non-Muhammadian): Sir, I am not going to inflict a long speech on the House—I will offer a few remarks only. I share the views of my Honourable friend, Mr. Joshi, that the third class passengers are not properly treated and I agree with him when he says that these third class passengers are the most paying customers. I also agree with him that the Railway Board has not done anything effective as yet in order to ameliorate the condition of these dumb people. I am not prepared to assert that the Railway Board has been sleeping over it, but I

[Dr. Nand Lal.]

raise my voice in regard to this point, that if they have done anything that thing has not proved practically good and effective. I ask them that they will be pleased to see that active steps are now taken so that the complaint of these poor and most-paying customers may be attended to.

Another point to which I wish to invite the attention of this House is this: that if my information is correct the Railway Department has got to pay about a crore of rupees in the way of compensating people who have lost their property in the railway. Now, may I ask the Railway authorities, can they not effectively manage that this railway pilfering and these railway theft cases may be reduced? May I ask the Honourable Mr. Innes what steps have been taken in this direction? For the last two years we have been harping on it, one Member after the other has been inviting the attention of Government to this. May I ask what step has been taken? Can he prove some sort of decrease in the number of theft cases?

There is a third point to which I invite the attention of this House and that is this: my impression is and it is based on oral complaints which have been brought to my notice, that in some cases the old stores are put up to auction and they are sold very cheap and unfortunately some of those old stores, after they are put up to auction and sold, will find their passage to the same railway stores again. If this information is correct, then we have got serious complaint against the Railway in respect of the money which is spent in the purchase of these so-called railway stores. I invite the attention of the Railway Board to this complaint. If there is real truth in this complaint then they will try to see that this is very seriously attended to.

Another point to which I seriously invite the attention of the Railway Board is this: that a considerable amount of money is spent in the purchase of stores and those stores are indented for from England. Sir, a portion of the stores ought to be purchased in this country if they are available. If those articles are not available, of course, the Railway Department will be constrained in indenting for them from England in the first place, or from other places if those articles cannot be obtained even there. These are the few points to which I would specially invite the attention of the Railway authorities, and if they will not take these suggestions seriously, I am afraid the mass of criticism which is subsisting will remain, and I may tell them that their administration will never be considered as a good administration at all. We have got a series of complaints against the Railway Administration so far as these points are concerned, and if the Railway Department will try to see that all these grievances are redressed, it will be a great boon to everybody, otherwise the money which we are voting will not give effect to our real desire. With these few remarks, I support the motion which has been moved.

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadan Urban): Sir, I want to add my voice to what has been already said by my Honourable friends, Mr. Joshi, Munshi Ishwar Saran and Dr. Nand Lal. The other day an Honourable Member said here when we were discussing the question of reserving intermediate and third class compartments for Europeans and Anglo-Indians that it would not be proper for us to decide that question as there was only a minority of European and Anglo-Indian representatives in this House. I think it will be more proper to say that we would not be justified in deciding anything against the third class passengers, because in this House we have hardly a representative of the third class passengers as

against a few representatives of Europeans and Anglo-Indians, and I believe that, although the third class passengers have no direct representation in this House, we shall not be doing our duty if we did not do our best to voice their grievances.

Now, Sir, I have a recollection of having been instrumental in approaching the Railway Board for removing a grievance of the Bombay suburban passengers. It has been pointed out here, and rightly too, that while the Railway Board considers it its business to interfere with every detail of the administration, on large questions of policy, which is its real function, it is generally silent and acquiesces in anything that the minor administrations decide to do. Here is one glaring instance of that. In Bombay suburban fares were unduly raised. There was an outburst of protests in all parts of Bombay. It was in opposition to the policy laid down by the Local Government itself of encouraging suburban traffic in order to remove the congestion from the city to the suburbs. I may also venture to say that the Local Government itself desired that living in the suburbs should be encouraged by any means that it was possible to adopt even by reducing the fares or by electrifying the Railways or by extending the tramway service. In spite of all that, the Railway Companies unduly increased the suburban fares. Protests were made in all parts of Bombay. I had myself the honour of presiding over a meeting called by the Railway Passengers' Association to protest against the step taken by the Railway in Bombay in increasing their fares unduly. I communicated with the Honourable Member, I communicated on behalf of the public meeting with the Railway Board. My Honourable friend, Mr. Innes, was, I very well knew, out of Delhi at that time and was not able to deal with the question, and I have no complaint against him. But I do want to point out here that the Railway Board failed to redress the grievance, a legitimate grievance, of the third class passengers, the poor suburban passengers of Bombay. Instances of this character can be multiplied. In the Aeworth Committee's Report, and especially in the evidence placed before the Aeworth Committee, we find that the Railway Board was instrumental in increasing the burden of correspondence on trivial matters with the Secretary of State. For instance, it was pointed out here that the increase in the pay of a foreman was a subject of correspondence which cost a good deal to the Government of India. No wonder that the expenses of the Government of India and the Railway Department should go up, but instances of this character can be multiplied. The whole point that I want to make is this. I do not want to weary the House with all the instances about which, I am sure, Honourable Members know full well, but I do want to say this that the Railway Board has to all intents and purposes failed to carry out the purposes for which it was created. If it has done anything, it has added to the burden of expenditure of the Government of India. It has not improved in any way the railway administration of this country; it has given no satisfaction to any class of passengers in this country, and therefore it is but fit that we should pass this vote.

The Honourable Mr. O. A. Innes: Sir, I always look askance at the seemingly innocent and trivial reductions by a rupee, for I never know from what side and on what points I am going to be attacked. In the course of the last hour, I have noted down no less than 14 different points, and I am supposed to be able to stand up here and reply to each and every one of them. Now, let me first take the point raised last by my friend Mr. Jannadas Dwarkadas. We have heard a lot this morning about the necessity of efficient, commercial, business management of our Indian

[Mr. C. A. Innes.]

Railways. That was the gravamen of the charge which was made by more than one speaker this morning. But when it hits Bombay, then we hear another story. Now let me tell the House the true story of the season tickets of the suburban traffic in Bombay. The rates for Bombay, Baroda and Central India season tickets in suburban traffic in Bombay had not been raised for forty years. Now how enormously prices have risen during these forty years is well known to Members of this House, and when after careful examination the Railway Company raised those rates—and mind you, I satisfied myself that the rates to which they had raised were very moderate,—there was a scream from Bombay ‘how dare the Railway companies raise their rates?’ We are asked, the Indian taxpayers are asked, to subsidise the Bombay suburban traffic, and it is quoted against us that the Bombay Government protested against this. It is very easy for a local Government to take this generous line, but it is the Central Government, it is we who have to pay. Is there anybody here who can dispute the reasonableness of raising rates which have been in force for forty years? Now, Sir, I have dealt with one point.

Mr. Joshi raised the question of Conciliation and Arbitration Boards and of the prevention of strikes on Railways. These two last questions, Conciliation and Arbitration Boards and the prevention of strikes in public utility companies have been taken up by the Government of India, and we are considering the question of submitting legislation not to this House at this stage, but of circulating it to the country for criticism. That is all I can say on that point at present. The Railway Board did also address the various Railway Administrations with regard to Whitley Councils, but I do not know exactly what progress has been made. At any rate, I do know that the East Indian Railway has made an advance in that direction by appointing welfare committees on which the men are represented as well as the staff. That step was taken after the East Indian Railway strike in order that there might be co-operation between the men and staff.

Then, of course, we have heard the grievances of the third class passengers. Well, the House knows that there was a debate on this question last September, and various points and suggestions were made not only by Mr. Joshi but by other Members of the House as well. We have addressed all Agents of the Railways putting forward to them the more important suggestions made in the course of that debate, and we have asked them to let us have a reply as to what action can be, has been, or should be taken on those suggestions. When we get those replies, we shall have to consider in what form we can make them public. I am rather puzzled as how best to make it public, but we shall make the information available to the House in some way or other, and I propose to consult the Central Advisory

Board on that subject. As regards the local Advisory Councils

5 P.M.

Mr. Joshi raised the point that the third class passenger, if I got him right, was not represented on the local Advisory Councils. Well, Sir, again I am in a difficulty. I have not got here the actual circular letter we wrote to Railway Administrations on that subject. But we did make very careful provision in those suggestions for the representation on the local Advisory Council of, what I may call, representatives of passengers. We suggested representatives of the travelling public. The Central Advisory Council, as the House knows, exists for a rather different purpose. Whether we are right or we are wrong, we deliberately departed from the recommendations of the Acworth

Committee in this respect. We decided that as we had got the Legislature sitting here the form of Central Advisory Council to have was not a Council in which commercial and other representatives from different parts of the country should be represented, but a Council which should be composed of Members of the Legislature. It exists mainly, at least in my view, for advising us on large question of railway policy.

As regards the Shoranur-Manantody Railway I must again remind my friend the Honourable Mr. Muppil Nayar that we have just been told by the Inchespe Committee that we must treat our railways as strictly business concerns and we must try to show a net $5\frac{1}{2}$ per cent. profit on our capital expenditure. Now, Sir, if we apply that criterion to the Shoranur-Manantody Railway, I am afraid it will be the Greek Calends before that railway is constructed. There may be very strong reasons, and I am sure there are very strong political reasons why that railway should be constructed, but if that is the case, obviously it is the local Government which should construct the railway. We have been negotiating with the Government of Madras on that point. I have just had a letter on the subject, but I am sorry I have not had time to study it and I do not know what the latest development is.

Then we come to my friend Mr. Iswar Saran. I may assure him at the outset that I have not the slightest intention of saying anything sympathetic this afternoon. The first point he took up was about the reorganization and re-constitution of the Railway Board. Now, I think the Government of India has always recognized that there was something wrong with the constitution of the Railway Board. The Acworth Committee has, of course, brought that out, the real reason being that, through no fault of its own,—and that is a point I wish to make very clear—the Railway Board as we have had it so far has been absolutely crushed by the load of routine and case work which came up to it. Well, we have taken the first step in the direction of re-constituting it by appointing my friend, Mr. Hindley here as Chief Commissioner. We have given him larger powers than the President of the old Railway Board had, and Mr. Hindley was instructed that his first duty on assuming his new office was to submit his proposals for the reconstitution of the Railway Board. I have just received those proposals and all that I am in a position to say at the moment is that they are under the consideration of the Government of India and we hope to formulate our conclusions on them at the earliest possible date. The whole design of the proposals is to meet the objections which have been taken not only by the Acworth Committee but also by the Retrenchment Committee to the Board as at present constituted. That is, the whole design of Mr. Hindley's proposals is to relieve the Chief Commissioner and the men at the top of this load of routine work, to keep them free of the machine, to give them time, to use Sir William Acworth's phrase, to watch, to think and to plan, and above all to give the Chief Commissioner time to travel more about India to keep more in touch with Railway Administrations and more in touch with the local Governments. (A Voice: "Are you going to have a Member for Communications?") I am not in a position to say anything on that point.

Dr. Nand Lal in his interesting speech referred to the question of compensation and he asked what steps the Government of India proposes to take to reduce these very heavy claims for compensation. There is only one real step that we can take and that is to improve our system of watch and ward on the different railways. That, as the House will see, requires expenditure and more staff, and I am afraid the action taken by

[Mr. C. A. Innes.]

the House this morning may make it more difficult for us to do that. But still it is a matter which is being taken up by every Railway Administration.

Then again, Dr. Nand Lal made a great complaint of the fact that the railways do not buy enough stores in India. He suggested that, too much as a matter of course, the Railway Administrations went to England for the stores and materials they require. Well Sir, not only am I Member in charge of the Railway Department, but also I am Member in charge of the Industries Department (*A Voice*: "and Commerce.") Thank you. And I have the very greatest sympathy with the idea and I do feel that we ought to do all we can to encourage the purchase of stores in India not only by the Railway Department but by other Departments of the Government of India. But here again I must point out to the House that the House cannot have it both ways. If the Railway Department is in future to show 5½ per cent. returns on its capital, then on behalf of the Railway Department we shall have to claim that we buy our stores, materials and everything else in accordance with the hardest business principles. As I say, the House cannot have it both ways. Are we to be treated purely as a commercial concern and are we to show this dividend? (*Cries of "Yes."*) If so, we must buy in the cheapest market. However, I am not stating that as a question of policy; I am merely pointing out that the Incheape Committee's report in that matter raises certain points which will require very serious consideration.

The only other question is that of Indianization, and here as I am on such difficult ground I think I had better leave my Honourable friend Mr. Hindley to carry on.

Mr. C. D. M. Hindley: I rather hesitate, Sir, to delay the House at this late hour with the recital of more figures, particularly when I look forward to this time next year when I shall be told with great certainty by Dr. Nand Lal that I have done nothing during the year. No matter what we do, Sir, the Railway Board is told year after year "What have you done? You have done nothing". Incidentally, in regard to third class passengers . . . (*Dr. Nand Lal*: "I did not say that. I pointed out what you might have done.") I understood Dr. Nand Lal to say that we had done nothing. I think those are the words he used. As regards third class passengers, there is a little bit of our Memorandum tucked away here which perhaps Honourable Members have not read which gives a very full description of what the railways are doing in regard to third class passengers.

Regarding Indianization, during 1922-23, in comparison with the figures of the previous year the number of statutory Indian officers on railways rose from 301 to 525. The total number of European officers remained stationary at 1,316. (*A Voice*: "How many statutory and how many pure Indian?") In the previous year pure Indians 236 and Anglo-Indians 65; at the end of the year pure Indians 251, Anglo-Indians 74. The number of European officers remained stationary owing to the fact that though 18 Europeans were appointed during the year, the same number left for one cause or another. Then, on the three State Railways, I can give details, the European recruits numbered 16, and Statutory Indians 24, of whom Indians were 15 and Anglo-Indians 9. In the Engineering Department on these lines the Europeans and Statutory Indians were 4 and 5, respectively, while in the Traffic Department alone the Statutory Indian recruits numbered 16, 8 Indians, 8 Anglo-Indians. There were no Europeans recruited in the Traffic Department in 1922. On the Company

worked Railways, altogether 95 appointments had to be filled up during the year, of which 40 were filled by Statutory Indians and 55 by Europeans. (*An Honourable Member*: Can you tell us how many were gazetted officers, what rank of gazetted officers?) (*Dr. H. S. Gour*: "How many Indians?") I have not got the details. Taking the subordinates, the next grade, the total number of Indians and Anglo-Indians rose from 2,12,074 to 2,14,631, while the number of Europeans fell from 3,961 to 3,923. (*An Honourable Member*: "What is the maximum pay for these subordinate appointments?") I have not got the figure. The total number of employees of all classes was 754,500. I just incidentally would like to point out that on all railways the number of superior officers as a whole, is about 1,600 and the number of total staff 750,000. When you talk about making retrenchments of the officers, of the senior officers, where are you going to get crores out of these 1,600 supervising officers? This is not to the point at the moment, but I thought it would be interesting to bring that out. With regard to Indianization in general, it is not true that we have not done anything. I would ask the House not to pay too much attention to the criterion figure. We know what you can do with statistics and what different kinds of statistics there are, but as a matter of fact I want to point out that we have during the last year made a very definite move forward in the direction of training the staff of all kinds, of all classes, for the work which they have to do. The House will remember that on the motion, I think, of my Honourable friend, Mr. Jamnadas Dwarkadas, a Resolution was passed relating to the training of railway staff. In accordance with that Resolution Mr. Cole, a late Secretary of the Railway Board, was placed on special duty and he spent a great deal of time in collecting and collating information regarding the availability of places for training. We now have his report, which has recently been put in the hands of the members of the Central Advisory Council. It has not yet been published. I understand it has been distributed to the members of the Central Advisory Council. In this Report, when the Honourable Members have time to peruse it—it has been rather delayed in the Press. I am sorry to say—will be found a complete scheme which we hope to work if funds are available; we hope to work for the training of officers and other classes of staff with a view to improving the prospects of the men in the railways and enabling Indians and others in this country, Indians especially, to take advantage of railway training collaterally with the theoretical training of schools and colleges. I do not want to enlarge upon this at the moment because it is a long and difficult subject, but I do want to assure the House that the Railway Board during the past year have taken one of the greatest steps forward in this direction of perfecting the training of Indians for work on the railways.

Mr. President: The question is:

"That the provision for Miscellaneous Railway Expenditure under the head 'Railways' be reduced by Re. 1."

The motion was negatived

Mr. Jamnadas Dwarkadas: With your permission, Sir, I wish to correct a statement of fact that was made by my Honourable friend, the Finance Member. I am sure inadvertently. He said that the item that was discussed last year was one crore and 67 lakhs, which was the exchange item. I see now I have got a copy of last year's Debates—that the actual motion was for the reduction not of a crore

[Mr. Jammadas Dwarkadas.]

and 67 lakhs but for three lakhs of rupees. (*Mr. President*: "No.") These 3 crores included a crore and 67 lakhs, and it was also admitted by my Honourable friend, Sir Malcolm Hailey, last year, that there was an item of a crore and 17 lakhs which I said ought to be debited to the capital account but which he said was of the nature of a sinking fund, but he never raised this point that it was a non-votable item. The Honourable Finance Member says it could come under the head 'Exchange' but it also could come under the heading 'Sinking Fund' which is now declared to be non-votable. If you will refer to page 3124 of last year's Debates and also to the Honourable Sir Malcolm Hailey's speech on page 3129, you will find that the statement that I am now making here is correct.

The Honourable Sir Malcolm Hailey (Home Member): If I may correct the Honourable Member, that motion that Mr. Jammadas Dwarkadas refers to, was not a motion for a reduction of 3 crores. The motion was of the Demand under the head 'Railways,' that it be reduced by 25 lakhs. That obviously could not refer to a reduction of the amount which he mentioned. It is perfectly true that when Mr. Jammadas Dwarkadas came to speak on the motion of Sir Vithaldas Thackersey, he mentioned that he also had a motion for reduction of 3 crores, and, doubtless, by the exercise of those arts which are not unknown to the House, he did include in Sir Vithaldas Thackersey's motion his own suggestion for a reduction of 3 crores.

Mr. President (to Mr. Jammadas Dwarkadas): The Honourable Member should not take it upon himself to correct a statement made by the Honourable Finance Member when he himself turns out to be entirely incorrect. The Honourable Member said that a motion was moved which was not moved. The motion was to reduce the whole Railway Demand by Rs. 25 lakhs. The Honourable Member referred to his own motion, but it was not moved.

Mr. Jammadas Dwarkadas: But I referred to the motion and was ultimately prevented from moving it because of the explanation offered by the Honourable Finance Member.

Mr. President: Precisely. The Honourable Member referred to it; but no attempt was made to move the reduction of a non-votable item, for that would have been out of order.

Do Honourable Members desire to continue the discussion? (*Voices*: "No, no, no.") Or are they prepared to dispose of it now? I may say it is not much use continuing the discussion if the Executive Council disappears from the House, as they doubtless will, and we might go on to 162 and postpone the rest till to-morrow.

The Honourable Sir Malcolm Hailey: May I move that the main question be now put.

Mr. President: The question is:

"That the main question be now put—(Demand as reduced by the vote of the Assembly this morning)."

The motion was negatived.

The Honourable Sir Malcolm Hailey: I made the motion just now merely for the purpose of enabling the Honourable the President to take

the sense of the House and not with any idea of closing the debate. I promised that we would, if possible, issue a further list this evening giving the order in which the Demands for Grants are to be taken. I have this list; it is not perhaps necessary that I should read it out to the House. I merely, with your permission, place this list on the table, Sir, with a view to its being distributed as governing the order in which the Demands will be taken when the previous list is exhausted.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 14th March, 1923.

LEGISLATIVE ASSEMBLY.

Wednesday, 14th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

STATEMENT OF BUSINESS.

Mr. W. M. Hussanally (Sind: Muhammadan Rural): May I, Sir, with your permission, inquire of the Honourable the Leader of the House if we are going to get any further day for non-official Resolutions this Session?

The Honourable Sir Malcolm Hailey (Home Member): I am afraid I shall have to consider that in the light of the progress we make with the voting on Demands for Grants and the Finance Bill. I shall hope to be able to give a definite answer to the Honourable Member about the middle of next week.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): May I ask a similar question with regard to the Incheape Committee's Report, the discussion of which has now become imperatively necessary, apart from the Budget.

The Honourable Sir Malcolm Hailey: Does the Honourable Member wish that we should delay the further progress in voting on Demands for Grants in order that we may discuss the Incheape Committee's Report? I see at present no other way of doing it than that.

Sir Deva Prasad Sarvadhikary: The Honourable the Leader of the House must know that I did not mean that.

INDIANISATION OF EIGHT UNITS OF THE INDIAN ARMY.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): May I ask the Honourable the Army Secretary a question of which I have given him private notice? Will he be pleased to lay before the House and to explain to the House, the scheme regarding the Indianisation of the 8 Units which was promised sometime ago?

Mr. E. Burdon (Army Secretary): Sir, I have been asked to furnish the House with a statement giving full details, and explaining the implications, of the scheme for the Indianization of 8 units of the Indian Army, which was recently announced to this Assembly by His Excellency the Commander-in-Chief. I have accordingly had a statement prepared, which, with your permission, I propose to lay on the table. It shows exactly how the scheme will be put into operation and the conditions which govern the matter. For the convenience of Honourable Members, and in order to enable the whole question to be readily understood, I have embodied in the statement a brief account of the system of organization of an infantry

[Mr. E. Burdon.]

battalion and a cavalry regiment of the Indian Army, in so far as their establishment of King's commissioned officers is concerned; and also a brief account of the system which governs the promotion of King's commissioned officers of the Indian Army up to and including the rank of Lieutenant-Colonel.

STATEMENT EXPLANATORY OF THE SCHEME FOR THE INDIANIZATION OF 8 UNITS OF THE INDIAN ARMY.

1. The units selected for Indianization are—

Cavalry.

7th Light Cavalry, late 28th Light Cavalry, Madras.
16th Light Cavalry, late 27th Light Cavalry, Madras.

Infantry.

2-1st Madras Pioneers, late 64th Pioneers.
4-19th Hyderabad Regiment, late 98th Infantry, Hyderabad.
5th Royal Battalion, 5th Mahratta Light Infantry, late 117th Royal Mahrattas.
1-7th Rajput Regiment (Q. V. O. L. I.), late 2nd Q. V. O. Rajputs.
1-14th Punjab Regiment, late 19th Punjabis.
2-1st Punjab Regiment, late 66th Punjabis.

2. An Indian Infantry battalion has the following establishment of King's commissioned officers :—

Appointment.	Rank.	Number.
Commandant	Lieutenant-Colonel or Colonel	1
Second in Command	Lieutenant-Colonel or Major	1
Company Commander	Captain or Major	4
" Officers	Lieutenant or Captain	4
Adjutant	Ditto	1
Quartermaster	Ditto	1
		12

The posts of Adjutant and Quartermaster are filled by selection from officers of the unit. Generally speaking, the most efficient of the senior subalterns fill these posts. The establishment of King's commissioned officers of a cavalry regiment is on lines closely similar to the above. The designation of certain of the appointments is different; for example, a Squadron Commander and a Squadron Officer in a cavalry regiment correspond to the Company Commander and the Company Officer of an infantry battalion.

3. King's commissioned officers in the Indian Army receive promotion up to and including the rank of the Lieutenant-Colonel according to a time-scale, subject, in the case of each step, to certain prescribed examinations being passed. A King's commissioned officer should normally enter the Indian Army in the rank of Lieutenant at the age of 20 years. He receives promotion to Captain after 9 years' service, to Major after 18 years' service, and to Lieutenant-Colonel after 26 years' service. Details of the retention and promotion examinations which have to be passed are given in Appendix A to this statement. In addition to the prescribed tests and qualifications exacted from each individual officer, there are certain other subjects, included in the training of the soldier, in which a proportion of officers of every regiment must be specially trained; for example, physical training, including athletics, gymnastics and mental development; machine gun fighting; signalling, including the use of electrical appliances, etc. Further, in order to qualify for the post of Adjutant, a special certificate in musketry has to be obtained; and while, as has been shown, promotion to Lieutenant-Colonel is obtained by length of service and after passing certain qualifying examinations, the command of a unit is only given to those Lieutenant-Colonels who are selected *ad hoc* by the Selection Board. The Commandant of an infantry battalion is required to vacate his command on attaining the age of 52 years; and the Commandant of a cavalry regiment is similarly required to vacate his command on attaining the age of 50 years.

4. A list of Indian officers who already hold King's commissions in the Indian Army is given in Appendix B to this statement. These officers have been classified as follows:—

Table A.—Indore students who received their first commissions when over 26 years of age.

Table B.—Direct commissioned officers who received their first commissions when over 26 years of age.

Table C.—Previously commissioned officers who received their first commissions when over 26 years of age.

Table D.—Indore students who received their first commissions at the age of 26 years and under.

Table E.—Sandhurst cadets and others who received their first commissions at approximately the same age at which a British officer enters the army.

The tables show also the dates on which each officer would qualify for promotion to Captain, Company Commander, and Major, according to the time-scale and the normal course of promotion; and, in each case, the age of the officer on these dates. It will be seen that many of these officers, having received their first commission at an age much greater than the normal age, cannot hope for a normal career in the Indian Army. To indicate an extreme case, there is one officer who would be over 57 years of age before he could qualify for the command of a Company in the rank of Major, according to the prescribed tests applicable to all British officers. As previously stated, an officer is required to vacate the command of an infantry battalion on attaining the age of 52 years. It follows therefore that, for the purpose of officering, with Indian officers holding the King's commissions, the 8 Indianizing units, it will be desirable to rely mainly on those Indian officers who have obtained their first commission at approximately the same age as a British officer and can therefore hope to reach the highest posts within the age limits laid down. Of this class there are already 21 in the army.

5. It has accordingly been decided that 8 of the Indian officers of suitable age will be transferred at once as Company or Squadron Officers, one to each of the 8 units destined for Indianization, replacing in each unit a British Company or Squadron Officer who will be transferred elsewhere. In 1924, another batch of 8 Indian officers will be similarly transferred, replacing an equal number of British officers. In 1925, the same process will be repeated. But in that year the officers already available will be completely absorbed, and the numbers will in fact have to be made up by young Indian officers who have in the meantime qualified at Sandhurst. According to the process stated, at the beginning of 1927, all Squadron or Company officers of the Indianizing units will be Indians; the senior of these will be about 29 years of age and will have about 6 years' service. At this stage the situation will arise that any further postings in accordance with the process laid down would entail the appointment of the senior amongst these Indian officers to the command of Squadrons or Companies. These will be, in comparison with the officers of non-Indianizing units, young and relatively inexperienced. The nature of the further step will necessarily depend upon the development which have taken place in the interval.

6. Indian officers at present serving in the Indian Army who, for the reasons stated above, are not posted to Indianizing units, would ordinarily be passed to the non-effective list in the usual manner. A proposal is under consideration that their services should be utilized by appointing them thereafter to the Territorial Force, a course which might be of distinct benefit to the State.

7. The earliest date by which the 3 units could be completely officered by Indian officers, holding the same qualifications as are laid down in respect of British officers and having had the same advantages of training and experience as British officers, would be approximately 22 to 23 years from the present time. It might be possible to shorten this period to some extent if Indian officers of outstanding capacity come to the front during the process of development. Exceptional promotion could conceivably be given to such officers, since unusually rapid promotion has actually to be given in war time to specially good officers and men who are required to replace casualties. But the expedient could not be relied upon as a normal procedure: it would never be relied upon as a normal procedure in the case of British officers. The question would be not merely one of studying the pace of Indianization; the first obligation of the Government would be to study the safety and efficiency of the units under Indianization; and from this point of view, it would not be right, and it would not be prudent, to impose on an Indianizing unit a system which would never normally be imposed upon a British unit or a non-Indianizing unit of the Indian Army. Finally, there is the consideration that it might not be regarded as fair to place upon the first generation of Indian officers of the Indianizing army a burden of responsibility which normally a British officer of corresponding age and experience would never be asked to shoulder. Essentially, special promotion, such as has here been indicated, could only

[Mr. E. Burdon.]

be given on the merits of individual cases. It is patently impracticable to attempt to regulate the matter by any *a priori* formula.

A question has been asked whether the experiment is to be fully tried before the next step is taken, that is to say, in dealing with the other units of the Indian Army. The point is one on which Government are not in a position to make a statement. It would obviously be premature to do so. The first measure of Indianization has only now been embarked upon, and the developments to which it may lead cannot be foreseen or foretold.

APPENDIX A.

EXAMINATIONS WHICH KING'S COMMISSIONED OFFICERS OF THE INDIAN ARMY ARE REQUIRED TO PASS FOR RETENTION IN THE INDIAN ARMY AND FOR PROMOTION.

I.—*Examination for retention in the Indian Army.* (To be passed within 3 years of appointment).

1. Preliminary test in Urdu (equivalent to the old Higher Standard Hindustani).
2. (a) Drilling a regiment of cavalry or battalion of infantry.
(b) Regimental duties, including matters relating to discipline, interior economy, pay and pensions, double company accounts and books, arms, ammunition, and equipment, supply of clothing and necessities, the classes of which the corps is composed and recruited, and, for cavalry officers, the supply of horses and saddlery.
(c) Indian military law and musketry if not in possession of an officer's musketry certificate.
(d) (For cavalry officers.) Veterinary treatment and shoeing, footing of saddlery.

II.—*Examination for promotion from Lieutenant to Captain.*—

- (a) Practical examination in the field without troops to test a candidate's knowledge of Cavalry, Artillery and Infantry.

Field Service Regulations, Map reading and Field Engineering, Military Hygiene.

- (b) Written examination 4 papers.
(i) Military Organisation and administration;
Administration of Military discipline and Law.
(ii) Imperial Military Geography.
(iii) Military History.
(iv) Tactics, Map reading and Field Engineering.

COURSES.

Qualify at an Army School of Education.

(In addition to the above certain technical examinations have to be passed by Artillery, Medical and other technical services.)

III.—*Examination for promotion from Captain to Major.*—

- (c) Practical examination. Tactical exercise in the field without troops embodying the employment of a mixed force of all arms, to be of such a nature to test the candidate's capabilities of appreciating a situation.
- (d) Written examination 5 papers.
(i) Military organisation, Military administration, administration of discipline and military law.
(ii) Government of the British Empire and Imperial Military Geography.
(iii) Military History.
(iv) Educational Training.
(v) A short essay on a military subject.

COURSES.

Small Arms School (Rifle, Automatic, Grenade, Light Mortar).

(In addition to the above certain other examinations have to be passed by officers of technical services.)

IV.—*Test for promotion from Major to Lieutenant-Colonel.*—

Pass a Course of Instruction at the Senior Officers' School, comprising :—
(Practical and Theoretical.)

- (i) The organisation of all units within a division.
- (ii) The tactical employment of the various arms.
- (iii) The principles of training and system to be adopted.
- (iv) Co-operation between the staff and troops.

APPENDIX B.

List of Indian Officers who already hold King's Commissions in the Indian Army.

TABLE "A".

Indore students who received their first Commissions when over 28 years of age.

No.	Rank.	Name.	Where serving.	DATES.				AGES.				
				1st Commission.	Captain.	Company Commander.	Major.	On 1st Commission.	At present.	On Captaincy.	On becoming Company Commander.	On Majority.
1	Lieutenant	Bakshi Chand	56th Rifles	17th July 1921.	17th July 1929.	1st Jan'y. 1935.	17th July 1938.	36½	33	45½	50½	54½
2	"	Anter Singh	22-25th Cavalry	Ditto	Ditto	Ditto	Ditto	38½	35½	42½	48	51½
3	"	Sher Mohammad Khan.	18-19th Lancers	Ditto	Ditto	Ditto	Ditto	32½	34½	41½	47½	50½
4	"	Mohammad Ayab Khan.	22-25th Cavalry	Ditto	Ditto	Ditto	Ditto	30½	32½	39½	45½	48½
5	"	Jai Singh	45th Sikhs	Ditto	Ditto	Ditto	Ditto	27½	29½	36½	42½	45½
6	"	Partab Singh	5-8th Cavalry	Ditto	Ditto	Ditto	Ditto	26½	28½	35½	41½	44½
7	"	Sajjan Singh	11th Rajpats	Ditto	Ditto	Ditto	Ditto	26½	28½	35½	41	44½
8	"	Sabvabrata-Singh Roy.	2nd Rajpats	Ditto	Ditto	Ditto	Ditto	26½	28½	35½	40½	44½

TABLE "B".
Direct commissioned Officers who received their first Commissions when over 26 years of age.

No.	Rank.	Name.	Where serving.	DATES.				AGES.				
				1st Commission.	Captain.	Company Commander.	Major.	On 1st Commission.	At present.	On Captaincy.	(In-becoming Company Commander.	On Majority.
1	Lieutenant	Lachman Singh	15th Sikhs	7th Oct 1912.	7th Oct. 1928.	7th April 1934.	7th Oct. 1937.	41½	44½	50½	56½	59½
2	"	Bhimsing Thapa	3rd Gurkha Rifles.	Ditto	Ditto	Ditto	Ditto	39½	42½	48½	54½	57½
3	"	Hissam-ud-din	21-23rd Cavalry	Ditto	Ditto	Ditto	Ditto	37½	40½	46½	52½	55½
4	"	Janda Singh	72nd Punjabis	Ditto	Ditto	Ditto	Ditto	37½	39½	46½	51½	55½
5	"	Thakur Singh	47th Sikhs	Ditto	Ditto	Ditto	Ditto	36½	39½	45½	51½	54½
6	"	Sundar Singh	41st Dogras	Ditto	Ditto	Ditto	Ditto	36½	39½	45½	51½	54½
7	"	Amar Singh	33rd Punjabis,	Ditto	Ditto	Ditto	Ditto	35½	38½	44½	50½	53½
8	2nd-Lieut.	Inder Singh	31st Lancers	14th Jan. 1922	14th Jan. 1931.	14th July 1935.	14th Jan. 1940.	30½	36½	45½	50½	54½
9	Lieutenant	Mit Singh	47th Sikhs	7th Oct. 1919.	7th Oct. 1928.	7th April 1934.	7th Oct. 1937.	31½	33½	40½	45½	49½
10	"	Khan Mohanmad Khan.	35-36th Cavalry	Ditto	Ditto	Ditto	Ditto	27½	30½	36½	42½	45½
11	2nd-Lieut.	Najibullah Khan	46th Punjabis	14th Jan. 1922.	14th Jan. 1931.	14th July 1935.	14th Jan. 1940.	Details not available.				
12	"	Nur Ahmad Khan	9-10th Horse	Ditto	Ditto	Ditto	Ditto					
13	"	Kasim's Dalir	116th Mahrattas	Ditto	Ditto	Ditto	Ditto					
14	"	Aurang Rao Mchite	103rd Mahrattas	Ditto	Ditto	Ditto	Ditto					

TABLE "C".

Previously Commissioned Officers who received their first Commissions when over 20 years of age.

No.	Rank.	Name.	Where serving.	DATES.				AGES.				
				1st Commission.	(Captain.	Company Commander.	Major.	On 1st Commission.	At present.	On Captaincy.	On becoming Company Commander.	On Majority.
1	Captain	Kanwar Amar Singh.	2-4th Cavalry	25th Augt. 1917.	25th Augt. 1921.	25th Feb. 1932.	25th Augt. 1935.	30 $\frac{1}{2}$	43 $\frac{1}{2}$	43 $\frac{1}{2}$	35 $\frac{1}{2}$	57 $\frac{1}{2}$
2	"	Zorawar Singh	1-3rd Horse	Ditto	Ditto	Ditto	Ditto	34 $\frac{1}{2}$	39 $\frac{1}{2}$	38 $\frac{1}{2}$	48 $\frac{1}{2}$	52 $\frac{1}{2}$
3	"	Abdal Samad Shah.	31st Lancers	15th Dec. 1919.	...	15th June 1934.	15th Dec. 1937.	36 $\frac{1}{2}$	38 $\frac{1}{2}$	...	50 $\frac{1}{2}$	54 $\frac{1}{2}$
4	"	Agas Cassim Shah.	104th Rifles	25th Augt. 1917.	25th Augt. 1921.	25th Feb. 1932.	27th Augt. 1935.	33 $\frac{1}{2}$	38 $\frac{1}{2}$	37 $\frac{1}{2}$	48 $\frac{1}{2}$	51 $\frac{1}{2}$
5	"	Ba'a Sahib Daplle.	16th Rajputs	Ditto	Ditto	Ditto	Ditto	33 $\frac{1}{2}$	38 $\frac{1}{2}$	37 $\frac{1}{2}$	48 $\frac{1}{2}$	51 $\frac{1}{2}$
6	"	Mhd. Akhbar Khan.	1st Brahmans	Ditto	Ditto	Ditto	Ditto	32 $\frac{1}{2}$	37 $\frac{1}{2}$	36 $\frac{1}{2}$	47	50 $\frac{1}{2}$
7	"	Pirithi Singh	5-8th Cavalry	Ditto	Ditto	Ditto	Ditto	32 $\frac{1}{2}$	37 $\frac{1}{2}$	36 $\frac{1}{2}$	46 $\frac{1}{2}$	50 $\frac{1}{2}$
8	"	Rana Jodha Jang	23rd Pioneers	Ditto	Ditto	Ditto	Ditto	27 $\frac{1}{2}$	32 $\frac{1}{2}$	31 $\frac{1}{2}$	42	45 $\frac{1}{2}$

TABLE "D".
Indore students who received their first Commissions at the age of 25 years and under.

No.	Rank.	Name.	Where serving.	DATES.				Ages.				
				1st Commission.	Captain.	Company Commander.	Major.	On 1st Commission.	At present.	On Captaincy.	On becoming Company commander.	On Majority.
1	Lieutenant	Mohammad Munir Khan	18-19th Lancers.	17th July 1920.	17th July 1929.	1st January 1935.	17th July 1928.	26	27½	35	40½	44
2	ditto	Maung Ba Hpo	1-70th Burmans	Ditto	Ditto	Ditto	Ditto	26½	27½	35½	40½	44½
3	ditto	C. B. Ponappa	11th Malattas	Ditto	Ditto	Ditto	Ditto	26½	27½	35½	40½	44½
4	ditto	Chitar Singh	2nd Rajputs	Ditto	Ditto	Ditto	Ditto	25½	27½	34½	40½	43½
5	ditto	Daulat Sen	36th Sikhs	Ditto	Ditto	Ditto	Ditto	25½	27½	34½	40½	43½
6	ditto	C. Poonooose	75th Carnatics	Ditto	Ditto	Ditto	Ditto	25½	27½	34½	40½	43½
7	ditto	Maung Aye	1-70th Burmans	Ditto	Ditto	Ditto	Ditto	25½	27½	34½	40½	43½
8	ditto	J. R. Cama	69th Panjabis	Ditto	Ditto	Ditto	Ditto	24½	27½	33½	39½	43½
9	ditto	Vijayar Singhji	1-15th Rifles	Ditto	Ditto	Ditto	Ditto	24½	27½	33½	39½	43½
10	ditto	Ajaib Singh	22-25th Cavalry.	Ditto	Ditto	Ditto	Ditto	24½	25½	33	38½	43½
11	ditto	Pritham Singh Bakshi	38-39th Horse	Ditto	Ditto	Ditto	Ditto	23½	25½	32½	38½	41½
12	ditto	Hamidullah Khan	124th B. Luchis	Ditto	Ditto	Ditto	Ditto	23½	25½	32½	38½	41½
13	ditto	Aji Amilendra	28th Panjabis	Ditto	Ditto	Ditto	Ditto	23½	25	32½	37½	41½
14	ditto	Mahad Harat Khan	67th Panjabis	Ditto	Ditto	Ditto	Ditto	23½	25	32½	37½	41½
15	ditto	Mohammad Akhbar Khan	1-12th Cavalry	Ditto	Ditto	Ditto	Ditto	23½	25	32½	37½	41½
16	ditto	Mohammad Abdullah Khan	19th Panjabis	Ditto	Ditto	Ditto	Ditto	23½	25	32½	37½	41½
17	ditto	Mir Haidar	92nd Panjabis	Ditto	Ditto	Ditto	Ditto	23	24½	33	38½	41
18	ditto	Gul Sher Khan	18-19th Lancers	Ditto	Ditto	Ditto	Ditto	22½	24½	31½	37½	40½
19	ditto	Mohammed Ali Khan	9-10th Horse	Ditto	Ditto	Ditto	Ditto	22½	24½	31½	37½	40½
20	ditto	Veshaahar Nath Singh	20-29th Cavalry.	Ditto	Ditto	Ditto	Ditto	22½	24½	31½	37½	40½
21	ditto	Maung Kin Maung	1-70th Burmans	Ditto	Ditto	Ditto	Ditto	21½	24½	30½	36½	39½
22	ditto	Abdel Rahim Khan	Gn drs	Ditto	Ditto	Ditto	Ditto	21½	23½	30½	36½	39½
23	ditto	Arifal	123rd Rifles	Ditto	Ditto	Ditto	Ditto	20½	22½	29½	35½	38½
24	ditto	K. M. Carappa	2-125th Rifles	Ditto	Ditto	Ditto	Ditto	20½	22½	29½	34½	37½

TABLE "E."

Sandhurst cadets and others who received their first commissions at approximately the same age at which a British Officer enters the Army.

No.	Rank.	Name.	Where serving.	DATES.				AGES.				
				1st Commission.	Captain.	Company Commander.	Major.	On 1st Commission.	At present.	On Captaincy.	(In becoming Commander.	On Majority.
1	2nd-Lieutenant	Bedi Daya Singh.	16th Lancers	14th July 1921.	14th July 1930.	14th January 1936.	14th July 1939.	22½	23½	31½	37	40½
2	Ditto	K. S. Rajendra Singh.	3rd K. R. R. C.	Ditto	Ditto	Ditto	Ditto	22½	22½	31½	36½	40½
3	Lieutenant	Sikandar Ali Mirza.	35-34th Horse	16th July 1920.	16th July 1929.	16th January 1936.	16th July 1938.	20½	22½	29½	35½	38½
4	2nd-Lieutenant	Faiz Mohd. Khan.	Green Howards.	14th July 1921.	14th July 1930.	14th January 1936.	14th July 1939.	20½	21½	29½	35½	38½
5	Ditto	Mohd. Nawaz Khan.	7th Hussars	23rd December 1921.	23rd December 1930.	23rd December 1936.	23rd December 1939.	20½	20½	29½	31½	38½
6	Ditto	E. Yusuf Khan.	2nd Warwick's	Ditto	Ditto	Ditto	Ditto	20	20½	29	34½	38
7	Ditto (N.B.—In addition there are 4 other officers newly joined from Sandhurst.)	Sarwar Ali Khan.	1st Worcesters	14th July 1921.	14th July 1930.	14th January 1936.	14th July 1939.	19½	20½	28½	34½	37½
8	Lieutenant	Maung Kin Maung.	1-70th Burma.	7th October 1919.	7th October 1928.	7th April 1934.	7th October 1937.	20½	23½	29½	35½	38½
9	Ditto	K. S. Himat Singh.	4th Rajputs	23rd March 1918.	23rd March 1927.	23rd September 1932.	23rd March 1936.	20½	24½	29½	35	38½
10	Ditto	K. S. Madco Singh.	8-39th Garhwalia.	24th October 1918.	24th October 1927.	24th April 1933.	24th October 1936.	20½	23½	29½	34½	38½

* Direct commission.

† Previously held Temporary Commission.

Mr. T. V. Seshagiri Ayyar: Sir, may I know what period, the longest period, within which the Indianisation of these 8 Units is expected to take?

Mr. E. Burdon: The matter is one which requires to be stated with a considerable degree of precision. It has been explained very fully in the body of the statement, and I think it will be more satisfactory to my Honourable friend if he will wait till he reads the statement.

Rao Bahadur T. Rangachariar: Sir, may I ask if it is a fact that it will take 23 years before these 8 Units become Indianised.

Mr. President: I think the Honourable Member had better wait till he has the opportunity of looking at the paper and then he can put any questions.

Mr. T. V. Seshagiri Ayyar: What is the total number of Indian officers in these 8 Units?

Mr. E. Burdon: The establishment of King's commissioned officers in an Indian Infantry Battalion is 12, and in a Cavalry Regiment 13.

THE EXCLUSION FROM INHERITANCE BILL.

Mr. T. V. Seshagiri Ayyar: Sir, I beg to present the Report of the Select Committee on the Bill to amend the Hindu Law relating to the exclusion from inheritance of certain classes of heirs and to remove certain doubts.

THE CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

AMENDMENT OF SECTION 4.

Mr. Abul Kasem (Dacca Division: Muhamnadan Rural): Sir, I beg to present the Report of the Select Committee on the Bill further to amend the Code of Criminal Procedure, 1898, amendment of section 4.

THE BUDGET—LIST OF DEMANDS.

SECOND STAGE—*contd.*

DEMAND No. 8.—RAILWAYS—*contd.*

POINT OF ORDER—NOMINAL CUT ON VOTABLE EXPENDITURE.

Range of Discussion on Non-votable Expenditure.

The Honourable Sir Malcolm Halley (Home Member): Sir, there was a discussion in the House yesterday, during part of which I was unfortunately absent, on a point of order. Briefly, it referred to the extent to which on a proposal for what we have come to know as a nominal cut on votable expenditure, questions might be raised and discussion might range over questions relating to non-votable expenditure. I appreciate the fact that you have given your ruling on the subject, but for my own part, and I may perhaps be blamed for not having raised the point last year, I am conscious of the fact that in previous discussion on the Demands for Grants, opportunities were taken by the House for raising questions ranging over non-votable expenditure in the course of discussing cuts of a nominal nature

on votable expenditure. I am not, it may be well understood, desirous of arguing against your ruling; I am equally desirous to avoid putting forward any proposal which might embarrass the Honourable the Finance Member. I am far from either intention, but may I suggest, in view of the terms in which the Governor General's Order regarding discussion of non-voted items is couched; in view also of our previous procedure, that without in any way altering your previous decision, and without prejudice to any final decision that you may come to on the subject, it would be possible for you, during the next few days to allow the House, as an interim arrangement purely and without prejudice to the future, to discuss on nominal cuts relating to non-votable expenditure general questions relating to votable expenditure. I put that request forward, because I feel that the House would perhaps, during the general discussion, have taken a fuller opportunity of discussing non-votable expenditure had they been aware that it would not be possible for them to discuss these questions on motions placed on the paper in regard to votable expenditure. I of course wish to be precise on one point only, and that is that such motions should be actually of cuts of a nominal character. It is quite clear, Sir, that I could not put forward or support any proposal for a reduction in votable expenditure of such a nature that it was really intended to affect non-votable expenditure. My suggestion relates entirely of course to motions for nominal reductions.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban):

Sir, I am sure we appreciate this concession to the weakness of the House, if I may put it so, its faults and defects to which they have got accustomed and which for a short spell might be permitted to continue. Sir, we have often been told that within the powers reserved to us larger conventions might grow up, and that is exactly what the House has been trying to do in this matter, and they have been allowed to do that. It is not as if there had been lapses which have to be condoned and need be now further condoned. I purposely refrained from taking part in yesterday's discussion for an obvious reason, and that is that these are matters that had best be allowed to grow their own way. And if they are not allowed to grow as they ought to grow, as conventions, then any concessions from the Government such as has been hinted at to-day would be valueless. Take for instance, what Mr. Jamnadas Dwarkadas referred to yesterday. He relied on the convention that sprang up last year. Unfortunately there were slight elements of inaccuracy owing to the exact proceedings not being before us. Mr. Jamnadas referred to what had been allowed before and this is exactly what the House has been trying to follow up. This proposed concession comes in another shape and I do not know whether it will serve any useful purpose or whether we had not better go on in the way we are doing. We do claim that by effecting cuts on votable items it is not only intended to raise a discussion but there is a desire to force the hands of the Government with regard to votable, that that is the clear object with which these cuts are proposed; and if this power is to be taken away, I do not much appreciate the value of the concession that has been announced to-day.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, I did not understand you yesterday to rule that all discussion outside the particular item as irrelevant. You can, on a motion for a substantial reduction of a votable item, support your position by showing other ways in which that amount can be found. It is not an actual vote-

[Rao Bahadur T. Rangachariar.]

on a particular item; in the argument in support of the motion I refer to various items which might have been done by Government, and thereby they need not ask for so much vote from the Assembly. In that way I do not understand that you ruled out such discussions as out of order. If you did, Sir, because the matter was discussed at very short notice and without any previous preparation for it, I would ask you to reconsider it. We do not want any concessions; we want to stand on our rights such as they are and if we have not got those rights we must agitate for getting those rights. By all means let us cultivate the habit of making conventions, but not against law. I do not think, Sir, there is anything in the rules or in the Act preventing us from supporting our motions for reduction of particular grants, whether it be a nominal sum or a substantial sum. I do not want to take this recommendation which the Honourable Leader of the House has suggested that it must be a nominal sum. It might be a substantial sum, but in asking my substantial sum reduction I may be able to show there are other ways in which the Government could have found this money and therefore I need not grant it. I am asked to grant a particular sum and I tell the Government "You can find that sum elsewhere." Sir, it is a perfectly legitimate argument to adopt, and I do not think you will rule such an argument out as irrelevant.

Mr. N. M. Samarth (Bombay: Nominated Non-Official): I support what Mr. Rangachariar has said, Sir. Take for instance, what we had last year. We made a certain cut of a lump sum in certain grants and left the Government to adjust it in any way they liked between non-votable and votable as they chose. Here is the list supplied to us—the statement of the expenditure that is appropriated and that is reduced. Take for instance, the North-West Frontier Province. We asked and we carried a vote for a reduction of Rs. 12 lakhs and 90 thousand. How have the Government adjusted it? In that sheet, on page 10, it will be found that the original amount which was non-voted was Rs. 1,88,08,000 and the net grant voted by the Assembly was Rs. 1,11,22,000. How did the Government adjust it? They reduced the non-voted item from Rs. 1,38,08,000 to Rs. 92,99,000 and reduced the voted item to Rs. 14,79,000. It is for the Government to cut out according as they choose. It is for us to say "We are not going to grant anything more than this; you had better adjust yourself in any way you like between voted and non-voted as you did last year."

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadan Urban): Sir, I rise only to remove a misapprehension that might have been created by what my Honourable and esteemed friend Sir Deva Prasad Sarvadhiary said. Yesterday evening I had no time to urge the point that I was laying emphasis on. All the time, Sir, I was trying to prove that the discussion had been allowed last year in the course of discussions on demands for grants on items which it is urged this year are of a non-votable character; and in doing so I referred to the motion which was on paper in my name but which I refrained from moving only because before moving that I wanted to obtain some information from the Honourable the Finance Member. The Honourable Finance Member in replying never raised the point and I am still prepared to maintain that he had not the slightest idea of raising the point of order if that motion had been moved; and if he denies it I am prepared to accept his statement. But the Honourable the Finance Member in dealing with that point treated me

very fairly and answered all the arguments that were urged by me in speaking on my intention to move the motion. That alone prevented me from technically moving the motion; all the arguments were urged and in the course of discussion on Sir Vithaldas' motion for all practical purposes I urged also the possibility of my moving the motion if the Honourable the Finance Member's explanation was not satisfactory. I do not think, Sir, that I was inaccurate; besides, all that I was trying to prove yesterday was—and that I think has been proved beyond doubt—that last year in the course of the discussion on demands for grants, those items which are considered non-votable to-day were allowed to be discussed. Apart from that, the reason of the non-votable items being too heavy was allowed to be urged by Members as a reason for cutting down the expenditure on votable items. That was all that I wanted to urge and I do not think that I am guilty of inaccuracy.

Mr. President: The point in its essence is simple; but before I approach the main point put to me by the Honourable the Home Member I want the Assembly to clear up its mind of the confusion which arose owing to the fact that a certain item which appeared in last year's estimates as votable appears in this year's estimates as non-votable; therefore, though Mr. Jaminadas Dwarkadas' words were applicable to that point, they are not applicable to the main question.

The Home Member has put to me a point which is not only of great importance for this House but of great constitutional importance. As the Assembly is aware, I have endeavoured always to interpret the spirit rather than the letter of the Rules and Standing Orders. I have no intention of enforcing in a hard and fast sense the ruling given yesterday and I am prepared to acknowledge that the interpretation which I placed on the Governor General's order is open to argument. Therefore I may say that I am glad that the Honourable Home Member has taken this point in order that the further proceedings on the demands for grants may be put properly in order.

Mr. Rangachariar has suggested that if a large reduction is moved on the votable portion and carried then the Government must find means either in the votable or the non-votable portion of carrying that into effect. But I may point out to him that we should be establishing a very unfortunate precedent if I were to accept that without reservation; and the reservation which I must put to the Assembly in this: the non-votable portion in certain parts of the budget is much larger than the votable; and if I were to allow him to move a reduction on the votable item larger than the votable item itself, then obviously I should be allowing him to do a thing which is not permitted by the rules.

Rao Bahadur T. Rangachariar: I did not mean that.

Mr. President: But the Honourable Member meant it in essence though not in form. What the Honourable Member is asking me is to allow him to proceed not exactly on that line, but with that object and effect in view. Therefore, I think, for the purposes of the remaining discussion, I must adopt the more restricted procedure suggested by the Honourable the Home Member on the assumption that the Government itself is not impervious to argument and that where a reduction of a nominal amount is carried by the Assembly, the arguments used will carry their due weight with the Government. I may say in general that I am glad that the Honourable the Home Member has taken a liberal view of the constitution.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadian): Sir, after what has fallen from the Chair, my perplexity has become greater. I understood, Sir, ever since the commencement of this Assembly that we were always at liberty to use pressure upon the Government to economise upon non-votable items by making corresponding cuts in the votable items and that we were not restricted to any nominal amount in our cuts on the votable items. I now find, Sir, that the practice of the last two years will have to be modified, and if I wish to make a cut of a lakh of rupees in the non-votable item, I shall not be entitled to make that cut in a votable item and use it as a lever upon the Government to transfer it to the non-votable item. All that the Honourable the Home Member has suggested is that a nominal cut should be made in the votable item and leave the Government to make such cuts as they desire to make in the non-votable items. That, Sir, would be reversing the practice and procedure which has been followed during the last two years and which we, Sir, have followed even during the last two days. I, therefore, submit that that is a practice which has developed into a convention of this House, and we shall be going back upon a convention, the validity of which was never challenged by the Honourable the Home Member when he was in charge of the finances of the country. I therefore submit that we must not break upon a rule which, at any rate, has been established and become established during the last two years.

The Honourable Sir Basil Blackett (Finance Member): Sir, in making the motion yesterday and in asking you to give a ruling that the discussion on sinking funds on a motion for a reduction in the Railway Demand was out of order, I was following the practice which was in entire accordance with the practice in the House of Commons. A consolidated fund charge is not a charge which on any occasion in connection with the voting of the Demands or estimates in Great Britain the House of Commons can use as an argument for cutting down voted expenditure. The difference of course between the position in England and the position here is that, there are other things besides the consolidated fund charges which are non-votable. So far as the consolidated fund charges are concerned, the ruling that you have given, gives this House probably rather more liberty of voting, of expressing its view by voting on a consolidated fund charge than is granted to the House of Commons.

I would just like to refer to one other argument used by Mr. Samarth. He said that if this House were to reduce a votable item, it was open to the Government to spread that reduction over the votable and the non-votable portion of the vote. That is not so. The Government can only spend on voted expenditure such sums as are voted by this House, and if this House reduces a vote of 10 crores by one crore to 9 crores and there is a non-voted portion of one crore in addition to that sum voted, it is perfectly true that as a matter of money, the result at the end of the year might be that the Government had spent only 10 crores, by saving one crore on the non-votable instead of on the votable. But we should have to come back to the House and obtain its authority for that additional one crore on a supplementary vote. This Government can only spend on votable expenditure what the House votes. If this House reduces a voted item by a crore, the Government has either to reduce its voted expenditure by a crore or come back to the House for a supplementary grant. So that it is not true to say that the Government has liberty to adjust a cut in a votable portion of the vote by non-expenditure under a non-votable portion.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): May I ask the Honourable the Finance Member a question. Supposing out of a sum which is regarded as non-votable there is an amount which is not spent, you can adjust the unspent amount of the non-votable portion and use it for votable items. Of course, it will come by way of a supplementary grant, but when you ask for a supplementary grant and when the House finds that there is money in the non-votable item which can be transferred to the votable portion, there will be no difficulty in giving you a grant. That will be the position.

The Honourable Sir Basil Blackett: That may be the position, but the technical position is that on a votable expenditure Government can only spend money that is voted. If you cut a Demand by a crore, the question whether there is money unspent has nothing to do with the case. It is simply a question that this House has the right to determine by vote what sums shall be voted for the Government to spend on certain services. The Government cannot spend a rupee more on these services without getting further money voted by the House.

The Honourable Sir Malcolm Hailey: It was an old saying that the Greeks feared their enemies even when they brought them gifts. I thought that I was endeavouring to get over a difficulty that was raised yesterday and was asking your assistance to surmount it. The difficulty as I saw it and as I put it, arose purely out of one matter, namely, whether you could discuss non-votable questions on a motion relating to a nominal cut on a votable item. That I understand was the exact point on which you gave your ruling. I find, however, that my well-intentioned efforts have been misconstrued into an attempt,—I am sure I am right in using the word 'misconstrued' because that is the practical effect of what Dr. Gour said,—to curtail a convention of another nature at which the House is said to have arrived. Nothing was further from my thoughts; nor would that result be involved in the permission which I asked you to give. As for the alleged convention, Dr. Gour said that last year the House was in the habit—whether it was a good habit or bad habit I leave the outside world to judge,—of making large cuts from votable items on the suggestion that it would leave it to us to distribute those as we liked between non-votable and votable. It is true that the House took that course, but it is a process against the correctness of which we argued both on practical and constitutional grounds. As the Honourable Sir Basil Blackett said, the House by doing so could not alter the constitutional position; if we could not effect reductions on the non-voted section then the total budget provision under the head was insufficient; and even if we did so, the matter had to be regulated subsequently by a supplementary grant within the voted head. When I proposed this morning that when nominal cuts were proposed on voted items the House should be able to discuss non-voted heads of expenditure, I did not, of course, in any way suggest that the House should not be at liberty to vote reduced supply on voted items when it could indicate that such reductions could be met by a feasible reduction in the scale of voted expenditure. Nor could I suggest that the President should go behind the motives of the House in making such cuts. We well know that last year large cuts on votable expenditure were moved and were supported on arguments which really had nothing whatever to do with the subject matter in hand. That is to say, the House, while fully acknowledging that we could not earn our Customs revenue without a

[Sir Malcolm Hailey.]

full establishment, nevertheless decided that 4 lakhs should go out of it. They argued it on grounds which they themselves will now admit had very little to do with the question whether a reduction in establishment was really possible. In other words, admitting that we still needed the establishment, they nevertheless voted reduced supply on this head and suggested we might make it up out of the army or elsewhere. We cannot go into the motives of the House in making these cuts on votable expenditure. I say nothing now as to the propriety or reasonableness of this procedure, nor do I suggest that it could or should profitably be followed again. I am not on that point—I only suggest that on motions for reduction of votable expenditure purposely placed on the list with the view of raising discussion or eliciting information you might allow the discussion to range over non-votable items.

Mr. J. Chaudhuri (Chittagong and Rajshahi Divisions: Non-Muham-madan Rural): Sir, the question which was raised before this House yesterday involved two principles of great constitutional importance. One has been discussed and is being discussed to-day before this House. With regard to that, I would remind the Honourable the Home Member that his predecessor gave an assurance, when we made lump cuts last year, that, if the cuts could not be made from the votable items, the non-votable items would be reduced.

The Honourable Sir Malcolm Hailey: Would the Honourable Member kindly say who gave that assurance?

Mr. J. Chaudhuri: Sir William Vincent. He gave an assurance that, although we cut down votable items, if the reduction could not be made from votable items without making administration impossible, he would make some reductions in the non-votable items.

The Honourable Sir Malcolm Hailey: The Honourable Member will, I am sure, excuse me if I interrupt him to put him right on facts. It was suggested that a total reduction might be made under the head "General Administration." Sir William Vincent accepted that—that cut was not made by the House—he accepted that and said at the same time: "I am sure the House will not bind me to make it purely in one direction, but I shall spread it over the entire head, votable and non-votable." That, the Honourable Member will admit, is entirely different to what we are discussing now.

Mr. J. Chaudhuri: I quite admit that. My point is that that is a mode of bringing indirect pressure on the Government.

The Honourable Sir Malcolm Hailey: No pressure was needed in that case.

Mr. J. Chaudhuri: I do not question for a moment that, so long as this distinction between votable and non-votable exists, of course we cannot effect a reduction in the non-votable items. But in that respect, what the Honourable the Home Member has said is a concession. The non-votable items are not a permanent fixture and the scheme of the Act is that they will gradually be made votable. Now, the other question of principle that was raised yesterday on the merits, I have looked into the Government of India Act, and there can be no question that annuities are non-votable under the existing arrangement. But I would point out that

a question of principle as regards the privileges of this House that was raised was this. My learned Leader, Sir Sivaswamy Ayyar, raised the question that under section 67A, whenever a votable item is transferred to a non-votable head then the question should arise in this House. It would have been regular if, when this change was made, the matter was brought before the House and the change was effected in a regular way. That would have been a compliance with the requirements of section 67A to which Sir Sivaswamy Ayyar referred.

As on the merits, my friend Mr. Rangachariar referred to section 20, which says :

" All expenses, debts, liabilities, contracted and incurred on account of the Government of India should be a charge on the Revenue."

That is clause 20 (c). Now, if we refer to section 28, there is no doubt with regard to the question under the Government of India Act. These railways were acquired by the Secretary of State under powers therein referred to.

Mr. President: The Honourable Member is now arguing a question of merit, which is somewhat remote from the real point of order raised by the Home Member. I must ask him to bring his remarks to a close.

Mr. J. Chaudhuri: So I say on the merits of this question, the annuities are non-votable, but the other question that is indirectly involved is a constitutional question, and a question of the privileges of this House. Supposing next year a certain item is transferred from under the head of votable to non-votable without reference to us, that will be an encroachment on the privileges of this House and that will be an unconstitutional course.

Mr. President: That question has not yet arisen.

Sir Montagu Webb (Bombay: European): I beg to move, Sir, that the House do now proceed with the further consideration of the Demands for Grants.

Mr. J. Chaudhuri: That is indirectly involved and that is why I say I must enter my protest on constitutional grounds and on the ground of its being an encroachment on the privileges of the House.

Mr. President: I think I cannot allow the Honourable Member to raise a large issue like that. As far as I am able to understand, this is really a book-keeping entry.

The Honourable the Finance Member: Yes.

Mr. J. Chaudhuri: If any Member of this House does not appreciate the point, perhaps the Honourable the Finance Member will.

Mr. President: The Honourable Member has just said that he is satisfied that this particular item is non-votable.

The Honourable Sir Basil Blackett: Sir, the item in question is an annuity payable to the shareholders of the East Indian Railway Company. It is a sterling sum. Last year, owing to the way in which our accounts were drawn up, the sterling sum was shown in rupees with the equivalent of two shillings to the rupee. That left a gap of a very considerable sum between the amount of rupees required and the amount of rupees shown

[Sir Basil Blackett.]

at 2 shillings to the rupee. Under another head "Exchange", the additional sum was included. That was under a general item for Exchange, but was treated as votable, obviously quite wrongly, purely by mistake. This year the exchange being shown at 1s. 4d. the rupee sum which is the equivalent of the sterling sum is shown entirely under one head as non-votable. The amount that has been transferred from votable to non-votable is simply the exchange difference between the rupee at 1s. 4d. and the rupee at 2s. on a sum something over three million pounds representing the shilling annuity. I think there is a certain amount of misapprehension as to what the House is doing when it is voting demands for grants. What it is doing is appropriating a certain sum of money for expenditure by the Government on certain items. It votes that a crore be spent on such and such a department, on the voted portion. It is not framing a budget; it is not providing money, it is simply appropriating a given sum for a given expenditure. If it appropriates a reduced sum or if it reduces that expenditure by half, that is at that moment a direction to the Government to spend half that sum on these particular items of the voted expenditure. But there is a good deal of confusion of thought, I think, on what it is doing. It is simply voting certain sums for certain purposes and if it reduces the sums voted, that is a direct reduction of the sums available to the Government for those purposes and has no other effect.

Detailed Discussion.

Mr. President: The House will now resume the discussion on Demand No. 8 under the head "Railways."

Munshi Iswar Saran (Cities of the United Provinces: Non-Muhamadan Urban): With your permission, Sir, I shall say only one brief word about all these three items.*

Mr. President: Do they come under the head Working Expenses?

Munshi Iswar Saran: Yes. According to the ruling given by you yesterday, I understood that all these proposals for reduction of smaller sums were included in the proposals for the reduction of larger sums and when the vote on the bigger issue was given, then the smaller ones went out. If that was your ruling, then, Sir, I cannot move these three items for the obvious reason that they are included in the head Working Expenses. But if, on the other hand, you are now pleased to hold that in view of the discussion that has taken place it may perhaps be more useful that these smaller reductions, which are really made to raise questions of principle and discussion on various matters should be allowed, then I shall, with your permission, make a few observations. It is a matter entirely for your decision, Sir.

Mr. President: The Honourable Member must not take the ruling regarding the discussion of a particular item in this case as applying to all cases. The ruling which I gave in the case of one of Mr. Joshi's amendments was not on the point of votable or non-votable but on the point that the matter had been fully discussed under Working Expenses and that

* "144. That the provision for Engineering Department, Appendix B (page 4) be reduced by Re. 1.

145. That the provision for Locomotive Department, Appendix B (page 4) be reduced by Re. 1.

146. That the provision for Carriage and Wagon Department Appendix B (page 4) be reduced by Re. 1."

it was the duty of the Chair to avoid as far as possible the repetition of discussion under successive motions for reduction. As the Honourable Member will remember, there was a long debate on Working Expenses and I think the Chair was entitled to assume that those who wished to discuss matters arising under Working Expenses would do so on the larger demand even though they themselves had put down smaller demands. The Honourable Member must not understand as regards the general application of the ruling that where a larger demand has been moved and voted upon, therefore *ipso facto* it rules out of order smaller demands, because that is not so. But in this case, from the point of view of orderly procedure, it would be improper to allow successive discussions of all smaller motions which come under Working Expenses in view of the fact that Working Expenses was fully discussed yesterday morning.

Munshi Iswar Saran: Perhaps it is my fault, but if you will be pleased to turn to amendment 132A, on page 10, you will find the following:—

“That the provision for Working Expenses under the head Railways (page 29) be reduced by Re. 1.”

After the discussion on the larger question you passed over this and similar other items. Perhaps it may be my mistake, but I understood that all these smaller items were ruled out simply because the discussion had taken place on the larger item. Your ruling would necessitate that in the discussion on the larger item, all those people who had given notice of amendments for smaller reduction will, as a matter of right, be entitled to speak. Otherwise, there will be this obvious difficulty. Assume, Sir, for the moment, that twenty of us have given notice for reduction of a particular demand by Re. 1, Rs. 2 and so on, and there is a discussion about the reduction of the same demand by Re. 1 lakh. Further assume that a discussion of the larger reduction takes place and the question is decided. Now, if it is to be held that all the people who have given notice of smaller reductions are ruled out, then it appears to me, Sir, perfectly reasonable that all these people should have the right of expressing their views in the discussion on the larger reduction.

Rao Bahadur T. Rangachariar: The President has not said “No” to it.

Munshi Iswar Saran: I do not say that the President has said “No”. I am only pointing out that this would be the inevitable consequence of that position.

Mr. President: The Honourable Member means that a Member in whose name a motion for reduction stands, which is less than the amount in the motion under discussion, ought to have the right to be called by the Chair. Is that what he means?

Munshi Iswar Saran: As you have been pleased to put the question I must answer it. Yesterday after the discussion on the larger reduction was over, you called on other men. I did not like to jump up to be told that I was out of order. This is exactly what happened yesterday. As soon as that was passed, you passed over this item and went down to some other item and called upon some other Member of the House. If you mean that each Member is to get up, then I suppose you will be pleased to allow us to have a little breathing time, because, you announced the vote and then you passed on and called upon another man. It is really impossible for a man to stand up in the interval between the announcement and the calling up of another man. That is the difficulty. As regards this particular item . . .

Mr. President: If the Honourable Member thinks that he still had the right to move the reduction of Re. 1 after we carried Sir Deva Prasad Sarvadhikary's reduction of Rs. 50 lakhs, we carried out his intention.

Munshi Iswar Saran: The reason is this. When there is a proposal for the reduction of a large amount that may be guided by considerations of a very different nature and it may not be necessary in the discussion of that large item to bring forward those matters which a man who proposes a reduction of, say, Re. 1, wishes the House to consider. I mean it is perfectly obvious.

Mr. President: I just called upon the Honourable Member to move 144. If he means that it is simply a vote reducing the Working Expenses, then it is out of order. But if he wishes to raise a particular point, then he is in order. I fail to understand his grievance regarding his motion for reduction of Re. 1.

Munshi Iswar Saran: As regards the reduction of Re. 1 it has nothing to do with the reason why that reduction of Rs. 45 lakhs or Rs. 50 lakhs should take place. I shall now come to this question* of 144, 145 and 146. I may take all these together. It is not necessary for me to make a long speech about it. I only put them down in order to draw the attention of the Honourable Mr. Innes and the Chief Commissioner to the grievance that there exists about the employment of Indians in these various Departments.

Mr. President: We have already had that discussion.

Lieut.-Colonel H. A. J. Gidney: Are you not satisfied? (A Voice: "Withdraw.")

Munshi Iswar Saran: That is perfectly so and I was therefore not going to move it. But you were pleased to call upon me. Take, for instance, the Carriage and Wagon Department. Not a word was said yesterday about it. If these are included technically under the head Working Expenses, then that goes. But if it is not, then I submit that I would be perfectly justified in moving my amendment No. 146, for not a word was said about it yesterday. But before I proceed, I shall beg you to consider that according to this view the right of a Member to move a particular amendment will depend to a large extent on the observations that have been made by the speakers in the discussion of the larger amount.

Mr. President: The Honourable Member will remember that the Commerce Member in replying said that he was replying
12 Noon. to no less than fourteen points under this vote and one of those was the very point of Indianisation. It is not the duty of the Chair to protect the right of any individual Member to raise a question at its proper point. He must realise that though it was somewhat disorderly the question of Indianisation was raised on two votes, Working Expenses and the Railway Board. The Assembly will appreciate the difficulty of preventing a repetition of discussions; but it is the duty of the Chair as far as possible to do so, because otherwise the same question would be raised on nearly every one of the votes. When once the question has been thoroughly discussed the Chair must protect the right of other Members of the House to raise other questions on other

* Vide page 3380 of these Debates.

votes. (Hear, hear.) If the Honourable Member proposes to raise the question of Indianisation I am afraid he is not in order.

(Cries of 'Withdraw', 'withdraw'.)

Munshi Iswar Saran: The only word I wish to say to those who shout 'withdraw', is that I am withdrawing this motion not in response to that shout but in compliance with your ruling.

Corruption on Railways—Pilferage of Fruits, etc.

Dr. Nand Lal (West Punjab: Non-Muhammadian): Sir, I shall not make reference to those points which were adverted to yesterday and day before yesterday. I shall confine my remarks to one point alone which was not brought within the scope of discussion during these two days. That point is this. Two years back on the floor of this House I had the privilege of raising my voice and addressing the Railway Department that some of the stationmasters do not give a free supply of wagons to traders and merchants.

Mr. President: Order, order. That was thoroughly discussed on Working Expenses.

Dr. Nand Lal: With due deference, Sir, I remained present in this House during the last two days and so far as my recollection goes none of the Honourable Members of this House made any reference to the point which I am urging now. The point which I am referring to is this that the merchants and tradesmen

Mr. President: The Honourable Member must have forgotten certain passages in the Debate in which under Renewals this question was very carefully gone into both by the non-official Members and by Members of the Government. If the Honourable Member has some other question to raise, I shall allow him to proceed.

Dr. Nand Lal: I am not referring to the question of renewals or the question of the number of carriages or the question of the difficulties of third class passengers. I am now referring to the conduct of certain stationmasters towards the merchants and tradesmen, that is, corruption. That point was never brought within the scope of any discussion during the last two days, and if I go beyond that point, then I may be asked to resume my seat. Since I am in favour of discipline I wish to ask your permission to proceed. May I proceed to that point?

Mr. President: The Honourable Member did not make it clear to me that he was going to discuss the question of the conduct of stationmasters.

Dr. Nand Lal: I thank the Chair for the permission granted to me. Sir, I shall not repeat the preliminary point which I had raised. It happens in many cases that a merchant applies to the stationmaster for the supply of wagons and the stationmaster tries to pretend that he has not got sufficient supply of those wagons which are required by the merchant or the tradesman as the case may be. But if that merchant or trader gives something to the stationmaster the wagons crop up in no time. The House is intelligent enough to understand what that thing is and I need not mention it. I address the Railway Department that the country will feel very much indebted to that Department if they will take effective measures so that the corruption, in any case, may be reduced, if it cannot

[Dr. Nand Lal.]

be eradicated. It is impossible for any Department to eradicate it, because, unfortunately, this evil habit has got its existence in the whole world. Therefore, I will not ask the Railway Department to do that which is impossible, but I am fully justified in asking that they will do their level best to see that this evil is minimised. Perhaps it may be urged on behalf of the Department "This criticism is merely destructive. Have you got any constructive suggestions to make?" Here I may add it is my duty, as a Member of this House, to offer those suggestions. The suggestion is that a register may be kept, at every railway station, so that if any merchant or any tradesman wants to have the supply of one wagon or two wagons, he may put down in that register "I want one wagon or two wagons on a certain day", and that register may be subscribed to or signed, in the way of authentication, by the officer in charge of that station, it may be the Superintendent of the station, so far as the bigger towns are concerned, or the stationmaster, as far as the smaller stations concerned. This will, in a way, meet the requirement and there will be, in any case, less chance for that stationmaster to get his palms greased. Another point in connection with the Traffic Department which was not urged before is—most of us are quite alive to this fact and I think the Railway Department too—that if you send a parcel containing oranges or mangoes from one place to another, your consignee will not be fortunate enough to get the whole of the consignment, but he will find something less, in some cases half, and in some other cases one-third. May I invite the attention of the Traffic Department to this evil which exists on a very large scale. I think even some of the official Members may have felt very deeply the loss of fruits which they might have sent for from a certain place. I think this is a point, in which we are very much concerned, and an honest effort must be put forth to see that this evil is reduced. Sir, the purity and honesty of the Department are essential factors, which go to give a good name to that Department and if the Railway Department will do something in the direction I have suggested most of the criticism which is levelled against it will have been removed at once. I move:

"That the provision for Traffic Department under sub-head Ordinary Expenses (b) (i) (4)—Appendix B be reduced by Rs. 100."

Mr. R. A. Spence (Bombay: European): I think there is a good deal in what Dr. Nand Lal has said especially in regard to fruits. I well remember trying to discover what had happened to a basket of mangoes and at last when I traced my complaint and got into the clerk's office, I discovered the empty basket under the clerk's table. Dr. Nand Lal made a constructive criticism and offered a suggestion to the Honourable Member in charge of Commerce and Railways in regard to a register of wagons. May I ask him to carry the suggestion a little further? It is a difficult problem. Perhaps the railway people might get assistance if they referred this matter to one of the Secretaries of the Gymkhanas who have great difficulty in arranging a register for tennis courts. If it is a difficult matter to arrange a register for tennis courts I am sure it would be a very much more difficult matter to arrange a register for wagons.

Mr. W. M. Hussanally (Sind: Muhammadan Rural): The point that has been brought forward by Dr. Nand Lal is a very important point indeed. Corruption among railway station staff is a very common thing all over India. Not only does corruption exist in regard to the supply of wagons and pilferage of fruit, but corruption exists in almost everything connected

with the railway station working. For instance even the foodstuff vendors pay annuities to the station staff and I have tabled a question upon this point of annuities of this kind to which I expect an answer in a few days more. The question I admit is a very difficult one for solution for one reason and that is that whatever is earned by this corruption is divided not only amongst the whole station staff, but also amongst the underlings and subordinates in the offices of the District Traffic Superintendents and others, with the result that these station masters are emboldened in their attempts to fleece the public. It has occurred within my own knowledge and experience that a station master drawing only about Rs. 50 or 60 a month has been kept at a particular station and only that station for years together, sometimes 15 or 20 years. At the time of transfer he carries a fortune of over two or three lakhs. In one instance I remember that a particular station master who was working on the Sind section carried a fortune of 2 lakhs at retirement and he had no son or daughter, and I do not know what he did with that money. Similarly with regard to foodstuff vendors, they have to pay regular annuities and even commissions to the station staff or the staff of higher offices, for securing a licence for the purpose of vending these foodstuffs. The result is that the travelling public is mulcted. They get very inferior stuff. No body cares to look at what is being sold to them what the public are given to eat and at what rates. The suggestion made by Dr. Nand Lal with regard to keeping a register in regard to the supply of wagons will hardly do. There are ways and ways of doing things and evading the supply. I consider this matter is so important that I have suggested the appointment of a committee to go into this matter regularly and make a thorough inquiry and find out how far this evil exists and what should be the remedies for stopping the same. The thefts are not confined entirely to parcels of fruits but to much more valuable articles, such as ghee, liquor and things of that kind. These are freely robbed while in transit. A tin of ghee or kerosine is tampered with and the contents removed. In some instances the public have complained that instead of ghee they found stones when these tins are received by them. Thefts of mangoes and fruits are common complaints on all railways and the fact that superior officers of the Railway Department have not paid any consideration to the complaints which are by no means new or tried to stop the nuisance has led the public to believe, though wrongly, that the railway officers themselves encourage their subordinates. I say that these things will never stop unless a regular committee is appointed and the matter is thoroughly gone into and some strong measures adopted for stopping this scandal. I would therefore draw the attention of the Chief Commissioner to this point very particularly.

Sardar B. A. Dalal (Bombay Northern Division: Non-Muhammadan Rural): I rise to support and voice the grievance of Dr. Nand Lal. I represent the Northern Division and I have received a telegram a few days ago from the timber merchants of Godra that they applied to the Station Master and the Traffic Inspector to supply them wagons but unfortunately their request was not conceded. The same telegram was addressed to your goodself and to Mr. Jamnadas also. These grievances ought to be remedied. They have been waiting for so many months and still they have not been supplied with wagons. Consequently they were put to a loss of some lakhs. Some remedy must be found for this grievance and I suggest to the Railway Board to do their best in this matter, to make enquiries whether what I have said is a fact or not. It is a fact, because I have got a telegram a few days ago.

Mr. K. G. Bagde (Bombay Central Division : Non-Muhammadian Rural) : The evil which is now under discussion was brought to the notice of the Acworth Committee and in their report they have made the following remarks. I am reading at page 53, paragraph 165 :

"It is not too much to say that petty payments for wagons have now grown into a system of organised blackmail. The Railway Board and the railway officials, though they hesitate to admit that the evil is as serious and widespread as the traders claim, do not attempt to deny its existence. They deplore it, but are disinclined to accept responsibility. The practice, they say, can only be stamped out by convicting and punishing the bribe taker. This has been done in some cases, but not with sufficient frequency or certainty to stop the practice. If conviction of the bribe taker in a law court were the only means of stopping the practice, it would evidently continue indefinitely. For normally the only witness against the bribe taker is the bribe giver and as he is *particeps criminis* and equally liable to punishment, he can hardly be expected to come forward to give evidence. The practice must be stopped, not by conviction of offenders, but by prevention of the offence. And this we are convinced can be done as soon as the authorities are sufficiently in earnest about the matter. We feel that the evil would not have grown so serious if the Railway Board has appreciated its magnitude, and after a thorough investigation had grappled with it as a general question affecting all India and had insisted on reforms of the methods of wagon distribution."

The report is signed 22nd August 1921. It is more than a year and a half since the report was published and I would like to know from the Honourable Member concerned what steps have been taken in this direction.

Mr. J. P. Cotelingam (Nominated : Indian Christians) : With reference to the point raised by Dr. Nand Lal as also by Mr. Spence and Mr. Hussanally, I believe a Committee was appointed last year to go into the whole question of the revision of railway risk notes. That Committee went round the country, took evidence and dealt also with the question of pilfering referred to by the Honourable Member and we have received copies of that report. I do not know what action has been taken in the matter by the Railway Board.

Mr. C. D. M. Hindley (Chief Commissioner, Railways) : Although this discussion when started by Dr. Nand Lal was perhaps received by the House with a certain amount of levity, I can assure Honourable Members that this matter of corruption and pilferage is a serious one, on which the Railway Board feel very acutely and we feel that definite steps must be taken to eradicate these abuses. In regard to the general question of the distribution of wagons between stations, I must again mention that this depends to some extent on the total number of wagons available. Individual stations in various parts of the country undoubtedly feel the pinch when the number of wagons which are available or the number of wagons which can be moved are in deficit of the number required for the total traffic. This symptom, which Honourable Members know from their own experience, of wagons not being easily available at stations does hang on the general question of the provision of facilities and the renewals of stock on the railways. That is the general aspect of it.

In regard to actual distribution, various railways have different methods of ensuring that the goods brought to each different station are carried away in turn. Acting on the suggestion of the Acworth Committee, very shortly after we received their Report, this matter was brought prominently to the notice of all railways, but the suggestions which have been made by Dr. Nand Lal and Mr. Spence are, if I may say so without disrespect, of a somewhat amateur nature compared with what we are actually doing and

have been doing for some considerable time. It is not at all comparable to the difficulties of the Secretary of a Gymkhana Club, if I may say so. Each railway has its own special system of registers. When goods are brought to a station for consignment, they are entered in a register in rotation and on many railways—I am not prepared to say that it is the case on every railway—those registers are periodically submitted to and certified by the district officers. The penalties for changing the order of those consignments as registered are very severe indeed. I may say from my own experience on the East Indian Railway that no less than six station masters were dismissed for altering the order of consignments in registers without authority. I know from my own experience that this is a matter which is looked into very carefully by district officers. I say that their measures may not always be effective in every direction, and, in so far as they are not effective, we shall endeavour to tighten them up; but the measures are there and the machinery is there. (*A Voice*: "Perhaps that machinery is never used.") I think if Honourable Members have occasion to send consignments, if they make inquiries at their own stations, they will find out exactly what the practice is.

In regard to corruption, I must again mention what was mentioned to the Acworth Committee, namely, that both sides to the transaction are to blame, and I do deprecate putting the whole blame upon the receiver of a bribe in a matter of this sort and not on the people who offer it. (*A Voice*: "Shame.") I wish to clear to some extent these attacks that have been made upon a very hard-working body of people. There are black sheep in every flock, and we cannot expect every one to be absolutely honest, but I do not believe that they are as a class essentially dishonest. I should like to say here publicly that they are men with whom I have worked myself from the time I joined the railway; I have had many friends among them and I know, as a whole, that the station masters and men of that class, who have dealings with this class of business, are honest. There are dishonest ones among them no doubt, but it is the duty of any Honourable Member who wishes to traverse this statement, if he has individual cases within his own knowledge, to bring them forward. (*Mr Darcy Lindsay*: "Is it always the station master?") I was referring to those who have to deal with the registration of goods. Mr. Hussanally, I think, went further and said some of the bribes which are collected or alleged to be collected in these cases are divided amongst some other members of the staff. Well, I say any case of this sort which is brought to notice will be and shall be properly investigated. I do not think it is quite fair to make general statements on some individual cases or upon hearsay. (*Sardar Bahadur Gajjan Singh*: "There are no parties in the case of mangoes and any other fruit.") I have not come to pilferage yet, Sir. I want to say on the general question that it is not a matter over which we are sleeping. We have had it under discussion and we are pressing on the railways at every possible opportunity to improve their methods of registration of goods and distribution of wagons. On certain sections of the North-Western Railway it may interest Honourable Members to know that we have been developing a system whereby by means of telephone instruments and what we call "train control," adapting it for another purpose, we have been getting gradually a system into force whereby the district officers themselves can be put in touch every day with the consignments which are waiting at the stations and the position of the requirements of wagons. This is a very definite step forward, and I believe myself that it will effect a great reduction of these complaints about inequality of treatment of consignments.

[Mr. C. D. M. Hindley.]

There we bring the small station directly under the district officer and the whole position can be reviewed. That is a matter we cannot go on very rapidly with, because the House is not giving me sufficient funds with which to carry on these improvements. These are the improvements I want to make, and, of course, we shall be stumped in some directions.

I must say with regard to pilferage that this is another matter which is causing us very great concern. We hear about fruit, apples and mangoes, being stolen and, looking at the matter from a very light point of view, I am afraid those are things that touch individual Members of this House; but the railways know full well and I agree quite definitely that pilferage on the railways has become a very serious evil and it is a matter which we are taking up on very definite lines. We have had the matter investigated, as perhaps Honourable Members will recall, in connection with the Railway Police Inquiry Committee, which sat either last year or the year before, and the steps which that Committee recommended us to take we are taking to the best of our ability. The re-organization of our watch and ward staff is one of the most important matters which we are taking up. It is a matter which varies in its different aspects in different parts of the country. Every province of the country has different aspects of this most important question owing to the different kinds of people who commit pilferage and the different classes to be dealt with. For that reason it has been taken up individually on the different railways. Some railways have already made a step in advance and appointed a special police officer to re-organise the watch and ward, for we are satisfied that it is only by making better security methods for the goods while in our care as carriers that we can hope to reduce to some extent this pilferage which has grown to such very large dimensions; and I hope that this House, the country and the public generally will realise that this is a somewhat slow matter and will take time. It is a matter of organization and of gradually countering the evil by suitable means wherever we can do so. I think, Sir, those are the main points.

There is one other point which I forgot to mention regarding vendors on the North-Western Railway. I am sorry I have not here with me the exact terms under which these vendors are allowed to be given licenses, but I believe I am right in saying that on the North-Western Railway these vendors do not pay anything for their licenses. On some railways they are made to pay a certain fee for licences, and it is possible that Mr. Hussanally may have mixed these two things up. I believe it is a fact on the North-Western Railway. There is no definite fee for licence, and of course I quite admit that it may be within his knowledge that certain of these vendors have paid money for their licences to sell food; but that I may say is not within the knowledge of the responsible officers of the railway or they would have taken action at once. It is not a recognised practice.

With regard to the statement that no one cares what food they sell or what prices they charge, I believe it is a fact that they have a definite schedule of food which they sell at each station, and that the prices are fixed and reviewed from time to time.

I think, Sir, those are all the points that were raised on this amendment.

Mr. Harchandrai Vishindas (and other Honourable Members): I move that the question be now put.

Mr. President: The question is that the question be put.

The motion was adopted.

Mr. President: The question is:

"That the provision for Traffic Department under sub-head Ordinary Expenses (b) (i) (4)—Appendix B (page 29) be reduced by Rs. 100."

The motion was negatived.

Mr. B. S. Kamat (Bombay Central Division: Non-Muhammadian): Sir, as I think since yesterday morning, Government has already come in for a great amount of ragging, and as we have only three and a half days left for the other Demands, I shall not move this amendment:

"That the provision for Government Supervision under the head Railways, be reduced by Rs. 5.

Mr. B. Venkatapuraaju (Ganjam cum Vizagapatam: Non-Muhammadian Rural): Sir, I propose to take only a few minutes.

Mr. K. O. Neogy (Dacca Division: Non-Muhammadian Rural): I have not had a chance of moving my amendment No. 150 yet.

Mr. President: I called on the Honourable Member just now. The Honourable Member must realise that is one of the subjects which we have discussed. What point does he wish to raise?

Mr. K. O. Neogy: I want to raise a specific point with regard to one particular railway. I beg to move, Sir:

"That the provision for Programme Revenue Expenditure—Assam Bengal Railway, Appendix B (page 8) be reduced by Rs. 100."

If Honourable Members will turn to page 8 of Appendix B they will notice that the provision for Programme Revenue Expenditure is shown as Rs. 6,99,000 in the actuals of 1921-22. This year the figure stands at Rs. 14,61,000—that is to say, more than double. I will remind the House that the Assam Bengal Railway has cost the tax-payer 18 crores in capital cost and 9 crores in interest charges already, and that the line involves an annual net loss of about 40 lakhs to the tax-payer. Now, Sir, if Honourable Members will turn to page 63 of the Incheape Committee's Report, they will find that they strongly recommend that that expenditure on unremunerative lines must wait until the financial position improves. I want to know from the Honourable Member in charge as to how he proposes to effect any cut in this amount of Rs. 14,61,000 and whether he has borne in mind the recommendations of the Incheape Committee in sanctioning this Programme Revenue Expenditure for the Assam Bengal Railway.

Mr. O. D. M. Hindley: Sir, in the revision of the Programme Revenue figures which was made in the cuts as a result of the Retrenchment Committee's recommendations, we have, as I mentioned to the House before, made a cut of 2½ crores of Programme Revenue on our total figure as put before the House in the Budget. We had already made a cut of 1 crore and therefore the total amount which we budgeted, 12½ crores, will be reduced by 3½ crores. These figures in Appendix B relating to the Assam Bengal Railway were included in the original total figure, and we have not yet had time to distribute that total amount of cut over the different railways. It is a matter which requires very great care because there are certain railways which require more renewals perhaps than others; but I can assure the Honourable Member that in the case of the Assam Bengal

[Mr. C. D. M. Hindley.]

Railway we shall give full effect as far as we possibly can, having regard to commitments and liabilities, to the recommendations of the Retrenchment Committee. I am not in a position to make an announcement as to the exact figure to which the provision for the Assam Bengal Railway will be reduced.

Mr. K. O. Neogy: Sir, I beg to withdraw my amendment.

The motion was, by leave of the Assembly, withdrawn.

Catering and Advertising Department—B.-N. Railway.

Mr. B. Venkatapatiraju: Sir, I move:

"That the provision for Catering and Advertising Department under the head Bengal-Nagpur Railway Company, Appendix B (page 13), be reduced by Rs. 100."

Sir, it must be admitted that reasonable facilities should be provided in India as in other places for passengers who are travelling; but unfortunately in India the railways do not compete for the travelling public and therefore they do not care for the comfort of the passengers. Of course it is true they provide refreshment rooms and dining cars

Mr. President: Order, order. I assumed the Honourable Member was going to raise some particular point in connection with the Bengal Nagpur Railway.

Mr. B. Venkatapatiraju: I am coming to that, Sir.

Mr. President: The Honourable Member has been embarking on a general discussion, which is not in order.

Mr. B. Venkatapatiraju: I want to show, Sir, that there are European refreshment rooms, not only for Europeans but for those who take European food, and in order to give additional facilities the Bengal-Nagpur Railway have established a Catering and Advertising Department. So far advertisements are concerned we find in the carriages whisky is advertised, and wherever we turn our eyes we have advertisements of whisky before us. But leave that alone. Unfortunately the Department which has been set up to provide comforts, so far as I am aware in our part of the country, is causing much inconvenience and discomfort to the passengers. It is in this way. Before Waltair station was taken up by the Bengal-Nagpur Railway it was under the Southern Mahratta Railway, when there was no complaint. The rooms were leased for Rs. 15 by the Southern Mahratta Railway to the Indian refreshment room contractor. Subsequently from the Southern Mahratta Railway the Bengal-Nagpur Railway took charge of that, and now instead of giving it to some respectable person on contract, they have given it to some Friends and Company, friends of somebody, who in their turn have given it to somebody else, and instead of realising Rs. 15, per mensem they wanted to take Rs. 300 the first month, then Rs. 400 and then Rs. 500. Out of sheer despair the party refused to pay and he refused to vacate. Things were at a standstill and then the public met twice or thrice and sent telegrams to the Agent concerned and he said he would not interfere because the arrangement had been made by the Catering Superintendent. What were we to do, if they wanted to charge Rs. 500. For better accommodation they do not charge for the European refreshment room anything. Therefore this amount must come out of the pockets of Indian passengers. Is it not the intention of the Railway Department

in making these arrangements, to provide facilities for passengers and not that certain people should make profits out of the poor unfortunate passengers who travel several hours a day in the train. Therefore, Sir, this matter is one which the Government should take serious notice of. They should not allow any one to sublet it to anybody else, who in their turn sublet it to somebody else, so that the last man might fleece the passengers by charging unconscionable rates for dirty food supplied to these unfortunate third class passengers. Therefore, Sir, I invite the attention of the Chief Commissioner to this point. As my friend points out this is the only refreshment room for passengers that you have on the line; you do not find it at other stations, except what we call *kutchra* food—*puris* and the like which are sold by vendors. Most of the southern people do not take these *puris* and *kutchra* food; they want rice and other things and that cannot be had unless provision is made for refreshment rooms. In this matter, Sir, though help was wanted, it was not actually given; when they have appointed three officers drawing Rs. 1,000, Rs. 800 and Rs. 700 per mensem to look after these small things, can they not provide better facilities for the poor passengers?

Mr. N. M. Joshi (Nominated: Labour Interests): I want to make one remark, Sir, before Mr. Hindley replies. In reply to one of my questions on this point the Honourable Mr. Innes stated that the Bengal-Nagpur Railway spends Rs. 33,289 on its Indian branch of the Catering Department and Rs. 2,79,700 on the European Branch, or nearly ten times as much. While spending Rs. 33,289 it makes a profit of Rs. 28,000 on the Indian branch; that explains the *kutchra* food mentioned by Mr. Venkatapattiraju. On the European branch they spend Rs. 2,79,000 and make a profit of only Rs. 20,000. I think, Sir, this is evident partiality and the Chief Commissioner will perhaps be able to explain this.

Mr. C. D. M. Hindley: Sir, with regard to the complaint of my friend, I found it a little difficult to understand exactly what his specific complaint was. He seemed to give rather scant recognition to the efforts that have been made by the Bengal-Nagpur Railway to put their catering arrangements on a proper footing. They have taken a great deal of trouble about it and I believe that the public generally who use the Bengal-Nagpur Railway are satisfied with the arrangements that have been made. (*Cries of 'Not at all.'*) I stand corrected; I have not been on the Bengal-Nagpur Railway myself very much, but I have heard a great deal of praise of the arrangements made. In regard to Waltair I am afraid my knowledge does not extend to the details of the arrangements made at that particular station, but I will ask the Agent of the Bengal-Nagpur Railway to give attention to the complaint that has been made.

Regarding Mr. Joshi's figures—I beg the Honourable Member's pardon—they are my figures, I think the explanation of these figures is that the European branch as it is called was started first by the catering department because it was considered then that that was the department which wanted organising. The vendors and others on the stations at that time apparently met the requirements of passengers, but there had been subsequently complaints from the members of the Indian public about this, and the catering department therefore took over the Indian side of it as well. That possibly is the explanation of the figures for the Indian branch being considerably less than the European branch

Mr. N. M. Joshi: What about the profit on the Indian branch?

Mr. C. D. M. Hindley: Another explanation is that the European branch does not only the catering in the refreshment rooms but also supplies stores and provisions to the staff along the line. I am not in a position to explain the reasons for the profit on either side, but I must point out that in either case there was a small profit made and I do not think that the railway itself is looking to making a large profit on either branch. I am quite satisfied from the reports that I have seen that they are taking the matter quite seriously and not using it as a means of obtaining a heavy profit from the public, and I am quite certain that Sir Godfrey, the Agent of that Railway, would be the very last to attempt to make a profit out of food supplied to Indian passengers.

I will bring the matter of Waltair station to his notice at the first opportunity.

Rao Bahadur T. Rangachariar: I only want to add one word, Sir, because I have been travelling by this Bengal-Nagpur Railway. They may take a lesson from the Madras and Southern Mahratta Railway and the South Indian Railway in the matter of food supplied to Indian passengers; and if the Honourable the Chief Commissioner will travel in the south of India he would recognise what public opinion there has effected; there we make ourselves felt on the railway administration and we have had these arrangements improved. When I passed Waltair I had to suffer a lot; in fact I had to break the railway rules by having the food cooked in my own compartment; and you will find that there is a lot of trouble felt by the Indian passengers. You get unwholesome food vended on the railway platforms; you have no room to go to and all these things require to be looked into; it is not only the Waltair station, but all along the line you have these difficulties.

Mr. B. Venkatapatiraju: Hoping that the Chief Commissioner will attend to these difficulties I do not press my amendment.

The motion was, by leave of the Assembly, withdrawn.

Mr. B. Venkatapatiraju: The next motion is:

"That the provision for Engineer-in-Chief for Vizagapatam Harbour under the head 'Bengal-Nagpur Railway Company' be reduced by Rs. 5."

His pay is Rs. 3,000 and I propose by this reduction to raise the question. I have no complaint against the officer; he is a very able and sympathetic and energetic officer doing his level best; but my complaint is against the Government because they have taken money and purchased land to the value of Rs. 8 to 20 lakhs; they have kept that officer really without any work to do; they have demolished several buildings in the town of Vizagapatam and they have made the town congested, and now that they have got 38 crores for expenditure they have not provided a single pie for the extension of the Harbour there. What is their object in keeping the Engineer on Rs. 3,000 if they have not made up their mind and prepared to proceed in the matter? They have acquired hundreds of acres of land to the utter inconvenience of the people. When they started this project, did they not have estimates before them? Did they not have a clear understanding whether it was a profitable concern or not? If it is a profitable concern, when they have at present ample funds before them, about 38 crores, why should they not proceed and provide funds for it? If they think, on the other hand, that it will not pay, then why should they have acquired the land at all? Probably they might have seen several

articles that appeared in the *Statesman* wherein it was shown that if proper facilities were provided the return would be not merely 5½ per cent. but more, because it would facilitate trade and bring foreign goods at less cost by steamer *via* Vizagapatam to Calcutta, and it would save a lot of money in traffic. I had a discussion with several officers and they at least made me understand that they are quite satisfied with the programme and that it will be a profitable concern. Under these circumstances I do not see what change of policy has come upon the Government of India. The other day when I asked a question they said they were considering—in the year 1921. I am told that the Bengal Nagpur Railway offered to do the work if certain facilities are offered to them, and when I asked a question the Government replied that they did not know whether any specific suggestion was made, but they were considering. How long are they going to consider it? Why do you keep an officer on such a salary without utilising him? Is it not a waste of public money? Therefore I appeal to the Honourable Mr. Innes to see that when there are ample funds available and when they have seen that it is an absolutely paying concern, they should launch it especially when they have spent some amount on it already for that purpose, instead of keeping an officer waiting in expectation of doing something from year's end to year's end.

The Honourable Mr. C. A. Innes (Commerce and Industries Member):

Sir, I must admit that this project for a harbour at Vizagapatam has been hanging fire for some time. The original intention was that we should have a railway port at Vizagapatam. That was agreed to, and the intention was to go ahead. Then the financial difficulties arose, and when we did arrive at a solution of those financial difficulties by the large amount of money granted to us for capital expenditure, the House will remember that in accordance with the definite recommendation of the Acworth Committee, it was decided that that money should be devoted to the rehabilitation of Railways and not to new projects of development. That is the reason why we were unable to provide last year from this capital programme money for the development of the Vizagapatam harbour. Naturally we have been endeavouring to find out other methods of financing the scheme, and we have been in negotiation with certain financiers connected with the Bengal Nagpur Railway, and they are on the point, I understand, of putting up definite proposals for financing this project of constructing a harbour at Vizagapatam. We expect those proposals shortly and then we should be able to come to a decision whether to accept those proposals or to follow the suggestion which has been thrown out by the Incheape Committee, namely that instead of spending all this money upon the rehabilitation of Railways we should go in for new developments; but I must ask my friend to be patient for a little time longer.

Mr. B. Venkatapatiraju: Sir, in view of the observations made by the Honourable Member in charge, I do not wish to press my motion.

The motion was, by leave of the Assembly, withdrawn.

General Superintendence.

Dr. Nand Lal: My motion is that the provision of Rs. 12,638 for General Superintendence, Appendix B, (page 49) be reduced by Rs. 500. I shall not take more than three minutes. There is only one point, Sir, to which I should like to invite the attention of the House, and when the House hears me, I am sure it will appreciate my arguments, barring, of course, a few members, who have no mind to do their duty. Sir, if the

[Dr. Nand Lal.]

Chief Commissioner of Railways will give me some sort of undertaking, then I shall withdraw my motion at once. The point which I wish to bring to the notice of the House is this. That sometimes, not only I, but, other Members of this House also, must have seen women and children walking about at the railway station platforms being unable to get suitable accommodation. The train has arrived, and there is no Railway official to look after them; to see whether they are properly accommodated or not. Adult passengers are able to look after themselves if they are put to any discomfort or inconvenience. But old women and little children without their parents find it very difficult to find accommodation. Sometimes the children have their parents with them, but they are too old to find suitable accommodation. In such cases I think it is incumbent upon the Railway Department, which is the carrier, to see that their customers are properly accommodated in the carriages. If a passenger goes to the station master, he asks him to go to the platform inspector. If he goes to the platform inspector, he asks him to go to the ticket collector, and the poor passenger does not know how to steer himself. He has paid you the money and he claims that he should be given a proper seat, and it is incumbent on the railway authorities to discharge their obligation. If the Chief Commissioner of Railways will give me some sort of undertaking, that he will do something effective in this direction, I shall withdraw my motion at once.

Mr. C. D. M. Hindley: Sir, there are two points which occur to me in regard to this suggestion. One is that I do not think that, when a passenger takes a ticket, the Railway Administration is necessarily responsible for guiding his erring footsteps from the point where he steps on to the station premises up to the place where he gets into the carriage. We assume that the ordinary passenger has a certain amount of intelligence and he can get the information if he wants to as to where his train is and how he has to get into it. But the larger problem which I know Dr. Nand Lal is referring to is a difficult one, especially at large stations, and in the hurly-burly of getting into the train I appreciate the fact that it is very difficult for inexperienced people to find their way about. On larger stations, therefore, we have appointed on certain railways a class of Passenger Superintendents as is known to many Members of this House. These have proved very useful in some cases, in other cases they have not come up to the requirements altogether. I think that is a matter which the Railway Administrations will see to.

Now the other point that I want to come to is this. You are asking me to cut down expenditure on staff. At the same time questions are fired at me as to why more staff is not employed for looking after passengers, why more staff is not put on to stop pilfering and to stop corruption. Now, Sir, I am not able to do impossibilities. I will do my best, and certainly every Railway Administration will do its best under the very great difficulties which are being imposed upon them now owing to retrenchments. But we cannot have luxuries in the matter of passengers travelling if we are going to cut our working expenses down to the very lowest limit. I will take note of what Dr. Nand Lal has said on the wider aspect of the question with regard to larger stations, and I am quite sure that the Railway Administrations will do what they can in the matter.

Dr. Nand Lal : Since an understanding has been given, and I believe that it is a very sincere one, I beg to withdraw my motion.

Railway Board.

Mr. J. Chaudhuri: Sir, my motion is as follows:

"That the provision for establishment of the Railway Board under sub-head 12—Miscellaneous Railway Expenditure India under the Head B—Railway Revenue Account (page 78) Appendix B, be reduced by Rs. 100."

This is a motion for a nominal reduction of the establishment of the Railway Board. My object was to elicit some information from the Honourable Mr. Innes. I understood that the Railway Board was in a state of flux and he has given us some answer to it already and he further mentioned that the matter is under the consideration of His Excellency the Governor General in Council. If he can give us any further information I shall be very happy. We have cast upon him a very great responsibility by passing our Resolution with regard to such an important Railway as the East Indian Railway being taken over by the State. In order that the State may take it over and carry on the business efficiently, it is essential that the reorganization should take place as early as possible, and the Honourable the Member in charge ought to be in a position to enlighten us on it during the Simla Session. So I will not press that point.

But I would draw the attention of the Honourable the Chief Commissioner to a fact, that the Incheape Committee has mentioned. This Report is indeed very valuable in many ways. But in certain respects it seems to be a little hasty. One of the items that the Incheape Committee mention is that the Railways showing the worst results relatively from 1913-14 are the North-Western, the Eastern Bengal State Railway and the Oudh and Rohilkhand. I have looked into the history of Railways and I find the Eastern Bengal State Railway is not at all a losing concern. I do not wish to refer in detail to the fact that it has raised its capital in recent years. I will put it generally to the Chief Commissioner that its capital has been raised to the extent of nearly 13 or 14 crores or more. It was, 10 years ago, only 27 crores, now it is 41 crores or more.

Mr. President: We cannot discuss railway finance now.

Mr. J. Chaudhuri: What I say is that this Railway is not getting the advantage of the additional capital, for this reason. Sara Bridge has been put up at a cost of 3½ crores, and the broad-gauge has been extended for about 50 miles beyond. That entailed an enormous outlay of capital. But as the Honourable Mr. Innes said the other day, its profits depend on the traffic in jute,—that is, from the jute area from Jalpaiguri down to Sara Bridge. And one of the reasons for the building of the Sara Bridge and the broad-gauge line was to obviate the necessity of transhipment. But now that we have spent this capital of about 13 or 14 crores, still we are precisely in the same position as before.

Mr. President: The Honourable Member should raise this point over the vote to the Eastern Bengal State Railway itself.

Mr. J. Chaudhuri: I do not raise it here, Sir. I just draw attention to it and will finish soon. I would not like to take up the time of the House again. But I say that if this line is to reap the full advantage of that capital, the broad gauge line should be pushed up to Jalpaiguri if not to Siliguri; to curtail the capital expenditure now will result in a loss. So these are matters

Mr. President: The Honourable Member must pay attention to what I said to him just now. This should be raised on the Eastern Bengal State Railway. I cannot go back on my decision.

Mr. J. Uhaudhuri: I hope the matter will be gone into by the Chief Commissioner and the Honourable Mr. Innes, so I withdraw this motion.

Sir Deva Prasad Sarvadhikary: Before the Honourable Member is allowed to withdraw, Sir, may I ask the attention of the House to a definite question of importance under Miscellaneous Railway Expenditure in Exhibit B and that is with regard to audit and control. There was a question I asked some time ago as to whether it was intended in any way to relax the audit with regard to railway accounts. Some people are under the belief that there is a move in that direction. If that is so, it will be extremely unfortunate. Railway audit such as it is is good, but Government audit should on no account be relaxed. Then, Sir, on page 79 there is a reference to the Indian Railway Accounts Committee about which there is no allotment. I do not know quite what that means. If it is a question of the Railway Advisory Board in some way, I want to ask as to whether means could be found for making the deliberations of all Railway Committees accessible at least to the Members of this Assembly.

Mr. C. D. M. Hindley: There is only one point there, Sir, that I think I need refer to. I presume the Honourable Member is referring to page 79 of Appendix B—he said Exhibit B. The Indian Railway Accounts Committee was a departmental Committee appointed for a definite object, to look into certain matters in regard to accounts—I see that it is mentioned in the Report of the Retrenchment Committee. As far as I remember,—I am not quite acquainted with the facts,—but, as far as I remember, it completed its work in 1921-22 and therefore there is no provision for it in the current year's budget. With regard to the relaxation of audit on railway accounts, I do not think, Sir, there is any such proposal and I do not think the Government will entertain any proposal to relax in any way whatever the audit over railway accounts.

Mr. S. C. Shahani (Sind Jagirdars and Zamindars: Landholders): Sir, I beg to move:

“That the demand under the head ‘Railways’ be reduced by Rs. 5 crores.”

Since this appears to be a large amount, with your permission, Sir, I would reduce it to one crore and a half. There has been apparent to me a feeling in the House, nay a conviction, that the expenditure under this head has not been cut to the last limit. So far as I have been able to understand the opinion of my Honourable friends, I feel that this proposal of mine will find favour with them. (*Mr. R. A. Spence:* “No, no.”) I have already spoken on this subject and I therefore do not propose to inflict another speech on the House. I merely formally move it.

Rao Bahadur T. Rangachariar: I wish to move my amendment to this amendment of Mr. Shahani's, Sir,—my amendment No. 177.

Mr. President: You had better take the Honourable Member's instead. It is almost the same thing.

Rao Bahadur T. Rangachariar: Mine is for 1 crore and 14 lakhs, Sir. 40 is a mistake.

Mr. President (to Mr. Shahani): Will the Honourable Member withdraw in favour of Mr. Rangachariar's amendment?

Mr. S. C. Shahani: Very well, Sir, I withdraw.

Rao Bahadur T. Rangachariar: I beg to move:

"That the demand under the head 'Railways' be reduced by Rs. 1,14,00,000."

Sir, my object in reducing this general demand by 1 crore and 14 lakhs

Mr. Jamnadas Dwarkadas: In addition to the 50 lakhs?

Rao Bahadur T. Rangachariar: Yes, that is already carried. My object is not to cut down the actual expenditure under the various heads which Honourable Members will find on page 29 of the Demands. They may make reductions here and there under Miscellaneous or they may find funds otherwise. I point out to the Government a ready method which it is perfectly open to them to adopt and I hope they will adopt it and if they adopt it they need not cut down the expenses under these heads. I am quite aware that against the 4 crores and 59 lakhs recommended by the Incheape Committee they have already accepted a reduction of more than 4 crores and 59 lakhs, so that we have no complaint to make against the Railway Department that they have not carried out the recommendations of the Incheape Committee, although these recommendations are still indefinite and hazy to me. But I take it, this is not the time to quarrel about it and I dare say we will soon understand it. I said, Sir, it is easy for the Government to find this money without in any way impairing the efficiency of the work next year. If Honourable Members will turn to page 7 of the Railway Memorandum circulated to us, there is a very handy entry of 1 crore and 21 lakhs which, by providing for interest for one year, reduces itself to 1 crore and 14 lakhs, which is readily available in the hands of the Government. And that is why I say, without in any way impairing the efficiency of the working, Government will find a method of recouping this expenditure. It is only a pen transfer which can be done in a second and without any effort they can find this money. I commend this motion for the acceptance of this House.

Mr. P. P. Ginwala (Burma: Non-European): Sir, I support generally the vote for reduction but I am afraid I cannot accept the reason that my Honourable friend, Mr. Rangachariar, has given for the acceptance of his motion. It is the worst way of financing that I can think of. If this method is sound, why not finance the whole of your Budget for borrowing money in this way to pay off an annuity which is nothing more than payment of a sinking fund *plus* interest. There are various other items here of this nature. It will be the easiest thing in the world for us to go and borrow money and reduce our deficit. I am surprised, Sir, that even such a distinguished authority as my Honourable friend, Sir Montagu Webb, is in favour of this financial method. It will be much more straightforward of us either to leave this deficit uncovered or to say that the deficit should be financed directly out of loan. But you are camouflaging your argument. You are like the ostrich hiding your head in the sand, and just because you cannot see anything, you imagine that nobody notices anything. That, I submit, is no ground whatsoever for making this reduction. But I put

[Mr. P. P. Ginwala.]

it on the general ground. I am not so satisfied as my friend, Mr. Rangachariar, seems to be that the Government has given full effect to the Incheape Committee's recommendations. What the Government has done is simply this. They have no doubt, as I said yesterday, reduced the Budget by Rs. 4,50,00,000 as compared with the budget estimate of 1922-23. But this is how they have done it. They have deducted Rs. 3,00,00,000 which in ordinary circumstances is in the nature of capital expenditure—from the revenue programme. The other economies consist merely of economy in fuel added to Rs. 50 lakhs already saved by the Great Indian Peninsula Railway. That is how I account for these Rs. 4½ crores. If this is what the Incheape Committee intended to do, I submit, that the Incheape Committee has not done anything whatsoever, for practical purposes and it is no good our talking about the recommendations for economy that have been made by the Incheape Committee. The plain truth of the matter is that the Honourable Members on the Government Benches could themselves have effected these economies without the Incheape Committee ever sitting, if that was really all that the Incheape Committee intended to do. There is no economy in the general administration of Railways, if this is the method in which they want to give effect to their recommendations—I ask the House, to examine the way in which Government say they have given effect to the Incheape Committee's recommendations. There is no element of permanency in this method. The Rs. 3 crores which they have deducted from programme revenue only applies to this year. It means that in the next year they will come forward and say "These Rs. 3 crores were deducted last year, because the Incheape Committee said so. Let us have them back. As for the rest we have already saved one crore on fuel, and the Great Indian Peninsula has already saved Rs. 50 lakhs." I submit, Sir, that this is not treating the Incheape Committee with respect. That is not what they could possibly have intended. That is what the Railway Administrations ought to have done themselves without the help of the Incheape Committee, and I maintain, that there is a further Rs. 3 or 4 crores which can be deducted if the Incheape Committee is treated with that respect which it deserves. This is camouflaging the figures to put it plainly. This deduction does not come from the general administration of Railways at all. It is merely postponing the evil day to the extent of 3 or 3½ crores. If that is what the House understands by economy, I have nothing to say. But if the House insists upon permanent economy in the administration of Railways, then it must ask for the further reduction, if not of 4 crores, as I asked for, to the limited extent proposed by my friend, Mr. Rangachariar, not for the reasons given by him but for the reasons I have given now. I have given them in a straightforward fashion. I do not wish to blind myself to the fact that if you accept the amendment for the reason that my Honourable friend has given, you will be simply throwing dust into your own eyes, but if you look at the position in a plain business like fashion, you must insist upon a further cut being made in the general expenditure on Railways. I support this amendment.

Captain E. V. Sassoon (Bombay Millowners' Association: Indian Commerce): Sir, after the discussion yesterday Mr. Ginwala pointed out to me that he was not satisfied that the cuts that have been made really bore out the recommendations of the Incheape Committee and at some little trouble, with the help of a Member of Government who had studied them,

I went through these accounts and I quite agree up to a point with Mr. Ginwala that the final recommendations of the Inchcape Committee do not actually carry out the detailed recommendations paragraph by paragraph. I take it that what happened is this. In the paragraphs, the Inchcape Committee recommend a cut on the 1922-23 Budget in the programme of revenue expenditure of Rs. 2½ crores, another cut of 1 crore on coal and Rs. 50 lakhs already cut by the Great Indian Peninsula on salaries and wages and an additional crore which the Committee thought could be cut by other Railways. Besides these, I see on page 70 an item of Rs. 23 lakhs, the difference between Rs. 81 lakhs and Rs. 104 lakhs which they consider could be made up by general tightening up of control. That is to say, we have a total recommendation of Rs. 5,23 lakhs, against which, on page 77 they advise Rs. 4½ crores, a difference of Rs. 73 lakhs. Now, Sir, I take it that after consideration and probably protests made by railway officials they decided to recommend Rs. 4½ crores, adding as you will notice a rider that they consider that other savings could be made. Well, Sir, one of my reasons for suggesting yesterday that the extra Rs. ½ crore should be made in spite of the Government provision for lag was because of these additional cuts. So, what we have really done is this. We have suggested a total cut of Rs. 4½ crores allowing this Rs. 73 lakhs as lag. If the Railway Administration is able during the year to catch up all that Rs. 73 lakhs, that will, in my opinion, enable them to give us the full Rs. 4½ crores. If we look at the lag, instead of having Rs. 50 lakhs they now have Rs. 73 lakhs. I think it is that Rs. 73 lakhs, which is the real amount recommended in the pages of the report and not in the summary which Mr. Ginwala has noticed but has not been able to calculate correctly. On the main motion which we are now discussing, we are asked to reduce the grant by Rs. 114 lakhs. Mr. Rangachariar's point is a sound one, because, Sir, the total amount of the grant is Rs. 67,47,00,000 less Rs. 3 crores, that is Rs. 64,47,00,000 less the Rs. 50 lakhs, which, roughly speaking, gives Rs. 64 crores. We have now got to the point of cutting the grant down to Rs. 64 crores. We agree that under the Inchcape Committee's recommendations we should give Rs. 64 crores for Working Expenses and for surplus profits. Therefore Mr. Rangachariar is quite correct in opposing the reduction of Rs. 64 crores by another Rs. 1,14,00,000. What Mr. Rangachariar is really doing—he has approached it in an indirect way—he is logically pursuing the course that was initiated this morning, of suggesting to the Government that they should consider seriously the motion that was raised by Sir Montagu Webb yesterday and which was ruled out of order. The suggestion of Mr. Rangachariar is that they should consider that suggestion and that that would be a method by which the Government could get money to pay for this cut of Rs. 114 lakhs. I personally would have preferred to have followed the advice which you gave us this morning. I would have preferred to have made the cut by the nominal amount of one rupee so as to use that as moral pressure on the Government to seriously consider the advice of capitalising these annuities. Still, there is no reason, as the Leader of the House mentioned this morning, why we should not make a cut of the total amount instead of a nominal amount. I think the feeling on this side of the House is strongly towards capitalising these annuities. I think if it had not been for that feeling we should not have had this motion before us to-day. Mr. Ginwala has argued probably from the point of view of Sir Basil Blackett on the disadvantages of capitalising these annuities. Some of us take the point of view that if you purchase an article, whether it is a railway or a mill, and if you decide to pay a certain amount in cash and a certain

[Captain E. V. Sassoon.]

amount is spread over a period this amount could have been capitalised and borrowed, and for that reason, as the State cannot make both ends meet, we suggest capitalising some of these liabilities which are on the border line of capital and revenue,—we say put these over to capital. Let us spread the paying of that capital amount over a further period,—that is what we should be doing by borrowing—so as to give temporary relief I am not saying I like it. I am not saying that I would not have much preferred to put as much as possible to revenue, but we are looking forward to the Finance Bill when we shall have to supply the money for the paying of these grants. We see before us the proposal of the Finance Member in respect of salt. We do not like that. We find no other, at any rate, feasible suggestion put forward to replace that demand. We are therefore trying to cut our coats according to our cloth, and although I agree it is to a certain extent juggling, by a mere book entry, I think if we are even straining the point a little so as to balance our budget without having to refuse to pass a very unpopular measure we should do so. Therefore, I hope that the Finance Member may help us if not by taking this amount and putting it into capital, by showing some other means of getting at the same result.

The Honourable Sir Basil Blackett: Sir, after the speech that we have just heard I think it is quite unnecessary for me to argue the details of the thing behind the thing. This is one of those cases where as the Irishman said it is not the thing that is the thing but it is the thing that is behind the thing that is the thing. The last speaker said "We cannot balance our budget, we do not know how to make the budget balance and therefore let us fake it." That is what is being proposed. It is perfectly absurd to say that there is any real difference between charging to capital a sum which on certain arguments may or may not be on the border line and saying we are budgeting for a deficit. To pretend one thing when you are doing another is absurd. One of the objects we had in view in aiming at a balanced budget was to improve our credit. You will do much more damage to your credit if you fake a balance than if you budget for a deficit. This particular question about the capital portion of an annuity can be argued up and down, other things can be argued up and down. The Railway accounts by common consent are not in as good a condition as they might be. We ought to have undoubtedly a provision for reserve fund. We ought to have probably a depreciation fund. The only provision in these accounts which is of that nature is this small annuity and a small sinking fund in addition. It is the same in regard to our general accounts. We have totally insufficient sinking funds. Outside our general accounts we have—I have referred to it already—we can see no reasonable ground for not charging to revenue an amount which is charged against capital. Bastable has been quoted against me. I am not sure he has not been misquoted but I should like to say I entirely disagree with Bastable if he said anything of the sort. I should be very sorry if Bastable wrote anything of the kind. I should also like to draw the attention of the House to another technical point. This is a motion to reduce the voted portion of the Railway demand—the only portion with which this House is directly concerned—by Rs. 114 lakhs. If you carry that motion, that is a direction to Government to spend Rs. 114 lakhs less on the voted portion. I was rather shocked to hear it suggested that the Government can do it by underspending somewhere else, that is to say, that the Government has

a right to spend more money than the House votes for it. Is that what you really mean? That it is a perfectly decent thing that we should be gaily spending more than the House has appropriated, on the expectation (*A Voice*: "Adjust or re-adjust?") that you can come back later on and ask for a supplementary vote? (*A Voice*: "Under-spend the non-voted.") If you under-spend the non-voted you are appropriating a certain amount to voted expenditure. If you invite me to over-spend what you have already given me you are inviting me to over-spend subject to under-spending the non-voted portion. Then you are inviting me to misappropriate (*A Voice*: "We sanction it by a general Resolution") in the hope that after the event I will get your sanction. I am taking this technical point because if the House is going to assert its authority to control the expenditure of Government it must insist on this golden rule that the Government shall not spend money above what the House has appropriated if it can possibly avoid doing so, in advance of the appropriation of that money by the House. And to suggest gaily at this stage that we should go ahead and by saving on non-voted portion misappropriate money (*A Voice*: "No, no")—that is what you are suggesting, I submit, Sir, that it is what is being

Rao Bahadur T. Rangachariar: If I may explain, keep it there and come to us and say "Here is the money and please allow us to spend it."

The Honourable Sir Basil Blackett: I am perfectly content to accept Mr. Rangachariar's definition of misappropriation. I should like to add this one remark. Government cannot accept the suggestion that any portion of these annuities should be transferred to capital. If a cut is made on that ground it will not be a cut which will have any influence on the total of the deficit as viewed by the Government.

Mr. Jamnadas Dwarkadas: I do not know whether the House really is asking the Finance Member to fake up the accounts in order to produce a balanced budget, because if the House is doing that, when it suggests that the annuities should be charged to capital it is in very good company. I may for the information of the Finance Member quote here certain passages from Government documents themselves. I just want to point out to the Honourable the Finance Member that during all these years this point was not raised. From 1900 to 1920 except 1908-09 I think when we had a deficit we had years of fat surpluses. And when you have a year of surplus you do not mind its being chargeable to revenue, but on many occasions it has been pointed out

The Honourable Sir Basil Blackett: May I rise on a point of personal explanation? I think it will help to shorten the discussion. As I said, you can argue this question up and down but whatever we do about this particular point it will not alter the general fact that in my view we shall be attempting to fake instead of make a budget, balance. You can take one single item by itself and say that it should not be chargeable to revenue, and you can argue on a dozen other items that they should not be chargeable to capital. As regards the statement that this question was not raised till 1920, I would point out that it was actually raised in 1906, as the correspondence which was circulated last year will explain. It arises now in a deficit year, because you are attempting to fake a balance when you have not got a balance.

Mr. Jamnadas Dwarkadas: If you read the General Administration Report of 1910 you will find it there stated in paragraph 4 of the Report that the financial result of the working of State railways was a net gain of Rs. 298.75 lakhs. This result, however, and I want the Finance Member to notice this particularly, is arrived at after inclusion in the charges against revenue of a sum of Rs. 13.108 lakhs representing the portion of annuity payments and redemption of capital. Omitting this item which is not properly a revenue charge, the result is a net gain of 430 lakhs, but I do not merely stop here. You take the Financial Statement introduced by Sir William Meyer in the year 1914-15. There again he says: "Admitting that annuity payments are really of a capital nature amounting as they do to the discharge of debt." So there again Sir William Meyer himself admits that while in a surplus year you can make them chargeable to revenue, there is justification in making it chargeable to capital. So after all the House is not demanding anything like faked accounts. All that we are demanding is that these annuities should be chargeable to capital. I can quote paragraphs from report after report to strengthen the argument that we have advanced here. I do not know wherefrom my Honourable friend, Mr. Ginwala, brings his knowledge of finance, but in very many countries this practice is prevalent and the annuities are chargeable to capital. The late Finance Member, Sir William Meyer, has himself admitted it. Your own reports have admitted it that these are really a charge on capital. I will be very glad if the Government can cut down at the instance of my friend, Mr. Ginwala, a sum of one crore and 14 lakhs from the voted item. No one would be more pleased than myself but in order to secure a balanced budget, I think you would be perfectly justified in doing what your own past Finance Members and your own Administration reports have recommended should be done.

Mr. T. V. Seshagiri Ayyar: If it is a question of direct vote whether annuities should be charged to capital account I would have no hesitation in agreeing respectfully with the Finance Member and disagreeing with my friends on this side of the House. But, Sir, I am going to give my vote to my Honourable friends, although I do not agree with them as regards their contentions. As was pointed out by the Honourable the Finance Member yesterday, the practice in England has been since 1906, since I believe Mr. Asquith became Chancellor of the Exchequer, not to charge annuities to the capital account. What would be the effect of charging annuities to the capital account? The result would be that you go to the world's market and say that as we are not able to pay from the revenues what we have been paying as annuities, we want to borrow; and what would be the state of your credit? Certainly you will have no credit in the world's market if you tell them that you are not able to pay from the revenue account what you have been paying hitherto: it would be mischievous and it would bring down the credit of this country if we say we are not able to do what we have been doing hitherto, namely, to charge to revenue these annuities which have been paid for a long time; but I am in agreement with my friends that this amount can come from the general accounts and therefore I shall vote for the proposition that has been put forward by Mr. Rangachariar.

Sir Deva Prasad Sarvadhikary: Reference has been made to the correspondence in 1906, which was circulated last year. Unfortunately I have not got a copy of the correspondence before me and I must make very guarded reference to it, but my recollection is that it was made abundantly clear that what was asked by the Government of India at that

time was considered as the correct mode of keeping accounts and that could not be followed because of what was considered to be the law on the subject. There is some doubt whether the law is to that effect or not. But if that is the law, there would be no difficulty in changing the law. Fake and misappropriation are strong terms, even though they may be lightly used and I am sure neither this House nor the other House where the term was first used are going to be party to anything of that kind. If we vote for it, as I hope we shall, it will not be by way of being a party to fake. Supposing the whole of the amount that has been devoted to annuities had to be paid in the year in which the rights in the railways were taken over by the Government, what would you have done? Would you not have raised a loan? Instead of doing that you have been spreading over that loan on a number of annuities. In the ordinary course of things and if annuities were not then in vogue, you would have raised a loan and will have been paying the interest all these years. I admit that what goes by the term annuities may be divided into two parts, namely, capital portion payable during the year and interest portion. There may be differentiation with regard to that; but it cannot be soundly and legitimately urged that the whole of that is chargeable to revenue. Well, the Honourable the Finance Member has shuddered at the idea of professors becoming Financial Members. It is not a new thing in the world for Professors to have risen to higher posts than that. One of the corridor aphorisms, if I may so call it, is that when a civilian financier has bungled the finances of the Government of India expert financiers have come in and there is a variant of that aphorism also, viz., where experts have bungled, it is the civilians that have got the matters straight. There is room for legitimate difference of opinion and I do not think that the application of strong terms will be justifiable if the House decides that what ought to have been paid out of loan, on which interest is paid, has really been spread over a number of payments in the shape of annuities consisting of portions of capital and also of interest. That being the state of things, I do not think that the House would be wrong (if it is permissible to do so under the ruling proposed this morning), in voting for the reduction that has been proposed by Mr. Rangachariar. I should be free to vote for it, in spite of what I said yesterday. My observations yesterday were confined to working expenses and I did not believe in crippling the railway administration so far as the working expenses are concerned, after imposing fresh burdens upon it. But if there are other ways open to us, which we may legitimately fall back upon by way of reducing the deficit, we are entirely justified in resorting to them.

Sir Montagu Webb: Sir, there is one point on which I should like to say a few words. I trust that this House will not be misled by the expression "fake". With all respects to the Honourable the Finance Member, I think we can take it that the payment of capital liabilities out of loan money is not "faking" the accounts.

The Honourable Sir Basil Blackett: I do not think that was what I said. What I said was that this question could be argued up and down on its merits and that it was part of a very much bigger question. With regard to this question whether annuities should be charged to capital or not, what I did say was that it was impossible, in the circumstances of this year, having regard to the other condition of our Budget, having regard to the absence of reserve funds and other things and the presence of the Delhi capital expenditure and other things quite

[Sir Basil Blackett.]

illegitimate, to pretend to have a balanced budget by saying this item should be charged to capital.

Sir Montagu Webb: It is a very common device in the discussion of matters of account, when you are making an amendment or attempting to make an amendment of which perhaps your own adversaries do not approve, for your opponents to say that you are "tinkering" with the accounts or "doctoring" the accounts. We were told to-day that, if we put capital expenditure to loan on this particular occasion, we shall be "faking" the accounts. Well, I submit, Sir, I have dealt with accounts—private and public—for 30 years and I know far too much about accounts to be affected by the suggestion that any particular course of this kind would be "faking" the accounts.

I would like to recall to the House what are the facts of this case. I think it was about 1880, that Government first exercised its option of purchasing one of the Indian railways under the option in its contract. In those days to have had to pay for this railway out and out would have involved the raising of a loan of 26 millions sterling, possibly over 30 millions sterling if we take the premium on the value of the shares. Now, 30 or 40 years ago the idea of the Government of India raising a loan of 30 millions sterling was unthinkable. Why, only six or seven years ago, when I ventured to suggest that the Government of India should raise a loan of twenty millions sterling towards the war, the suggestion was received with universal ridicule and I was called the "wild man of finance" or something of that kind. Now, during the latter half of the last century there was a great vogue in favour of annuities. People at large, professors in colleges, financiers and others, all commenced to talk about annuities. People began to discover what a splendid thing it would be if you could pay off the whole of the National Debt by way of annuities. They said "Why should we go on paying interest on our National Debt year after year and, having paid interest for 40 or 50 years, or more, find that the debt remains at the end of that period just the same? Let us turn all our national liabilities into annuities." It was at this time that the Secretary of State for India had somehow or other to make a *bandabast* for purchasing the East Indian Railway. It is not unnatural that the idea of settling this difficult problem by way of annuities received favour, and the East Indian Railway was purchased by way of annuities. Unfortunately, the conclusion of the public was such that nobody liked annuities and, as the years went on, the idea of turning our debts into annuities completely failed because, however suitable they are from the point of view of the State, the public do not like annuities, because each payment that the public receives in the form of an annuity means that they are receiving not only their interest but also a little bit of their capital back. Of course, you ought to re-invest that little bit of capital if you are a wise person, but people who receive an annuity are liable to spend it all and not re-invest that little bit of their capital as they should do. The consequence was that annuities for the repayment of Public Debt have never been popular. But the fact remains that in its essence an annuity is the repayment of a portion of the capital and the interest. Now, in this particular case we are paying annually some five crores under the heading of Railway annuities; of that 5 crores about one quarter is capital and the rest is interest. Now, Sir, if our finances are in a thoroughly sound condition and we have a handsome surplus, there could be nothing wiser than to repay out that capital

out of that surplus; but this coming year we shall not have any surplus; yet we are still invited to make a capital payment from revenue in spite of our deficit. I do not think that this House can be surprised that, in the circumstances, the suggestion has been put forward that we should, at least for one year, make this capital payment out of loan money, rather than out of revenue, *which we have not got*. That is the simple matter of the case and I naturally rise to say, Sir, that such a financial transaction appears to me, with some 30 years' financial experience behind me, to be a thoroughly sound proposition. I repudiate the suggestion that the House would be "faking" the accounts, if they made such an amendment.

The Honourable Sir Malcolm Hailey: I must apologise for rising at this moment, when the House is suffering from the fact that the memory of its breakfast is long past, and its hopes of lunch seem infinitely dim; but I think we ought to get our minds a little clearer on the two avenues of thought which have been moving the House for the last half hour. We do not any of us want to base a vote either for or against a motion on matters of verbiage or expression. We want to get to the substance and we also want to be quite honest with ourselves. Now, here you have a motion which calls for a reduction of over a crore of rupees on the voted expenditure. It is supported on two grounds. First of all, there are certain advocates for it who say that we can reduce our railway working expenses by that amount, and they will vote that reduction on that account. There are others who believe that we have made all the reduction possible in our working expenses, but nevertheless they are going to vote for this motion on an entirely different ground which I need not now describe to the House. I say this is a matter on which the House needs to be honest with itself. I do not think it is possible that these two schools of thought can either honestly or logically unite on the same platform. The process savours too distinctly of a desire to refuse supply at any cost, in spite of any argument and indeed without reason. Now let us assume that the amendment is passed. Yet, what I take to be the larger part of the House agrees that we cannot really cut our working expenses any lower and that it would be dangerous to do so. (*Several cries of dissent.*) Yes, I hear murmurs to the contrary, but I have heard also speeches in the sense I am now voicing. There are undoubtedly—and I merely quote what has been said here this morning—a large number of the Members of this House, and some Members who are not lacking in business experience, who hold that we have already reduced our working expenses to the lowest possible figure. Then we have got to make this money up from elsewhere, or we shall not earn our full railway revenue. Here comes in the second school of thought. They say "You have your non-voted section, transfer a certain sum from that section to capital or loan, and you will be able to find the money." We can only do that if we are honestly convinced that this would be the proper course to take, and if, after being convinced that that is the proper course to take, we could come back to the House with confidence that, after we had effected that operation, the House would vote the necessary crore and a quarter to replace this cut in our working expenses. For, after all, the working expenses must be met. I say that we need, first of all, the conviction that we can properly effect this transfer and, secondly, a certain guarantee that, if we come back to the House, they would supply us with the requisite crore and a quarter to replace working expenses. Now, can we with honesty to ourselves, work on that conviction? Sir Basil Blackett has

[Sir Malcolm Hailey.]

admitted that the proposed transfer is one of those questions which you can argue up and down. That is perfectly obvious. It has been argued up and it has been argued down in the past; and argued both ways again to-day. The point on which we lay stress is this,—that whatever the rights of the case may be, though it is true that in the past the expenditure has at times been described as of a capital nature; though it is equally true, on the other hand, that there are many of us who believe that railway annuities being in the nature of a sinking fund should properly be a revenue charge; but balancing those two arguments or putting them both aside, if you like, we lay greatest stress on this, that this expenditure has been charged for a large number of years on revenue, and on what appeared at the time to be on reasonable grounds.

Mr. Jamnadas Dwarkadas: In surplus years.

The Honourable Sir Malcolm Hailey: Not entirely last year, if I may point out to the Honourable Mr. Dwarkadas, it was paid in a deficit year. He himself raised the point that it should not be paid in a deficit year and when I pointed out that it was after all in the nature of a Sinking Fund he very handsomely withdrew his objection.

Mr. Jamnadas Dwarkadas: Sir, I rise to make an explanation. Last year the Honourable Member said the point would be considered, whether in a deficit year it should be charged to revenue, and on that I did not move the motion.

The Honourable Sir Malcolm Hailey: At any rate, the result of it was that whether through lack of pressure on the part of Mr. Jamnadas Dwarkadas or for some other reason, it was paid in a deficit year, and it has been paid in previous deficit years in the same way.

We are applying continually to the outside world for money. An important item on which we must lay stress is our financial credit. We do not wish to present to the outside world the fact that for a number of years we have charged this considerable item against revenue but now, finding ourselves in a difficulty, we propose to pay it from our loan accounts. We do not consider that that would redound to our credit. Financial critics might say—"That is all very well in itself. It may be that there are arguments on both sides. It may be that from a book-keeping point of view or from a commercial point of view, this may not be an entirely incorrect transaction." As I said, there is something to be said on both sides; but they might say—"Why have you never adjusted the whole of your accounts on this basis? Why is it you take this particular item and charge it to loan account? Why do you not re-adjust the whole of your accounts in order to bring properly against your revenue account the many items which you are now spending from your loan account and which, on a more strict commercial basis, you should charge to revenue?" The question is awkward and inconvenient. We cannot deny that there is a certain number of items of no inconsiderable amount, which we are now incurring from loan accounts. Our justification for maintaining them in the present circumstances is—firstly, that we have done it in the past and that is a kind of justification in itself—that is, it at least keeps our accounts consistent in the eyes of the outside world; it knows exactly where they are in relation to the past. Secondly, we shall not be able, until we have re-cast our whole commercial and other

transactions on a book-keeping basis, to effect the transfer. That is our case. Do not let us go into minute arguments as to whether this particular item can or cannot be charged to loan account. Let us bear in mind only what effect this transfer might have on the outside world from which we have to raise our money. They will say— "Are your finances in such a sound condition after all, if when you are temporarily pinched you have to take what has always been an item of the revenue account, and purely for purposes of convenience now charge it to loan account?" My own impression is that if one of the commercial institutions to which Sir Montagu Webb has referred, and with which he himself has been honourably connected in the past, if it were to do the same, then I do not say that it would be charged with any kind of misconduct, but I do say that its financial reputation, when they came to raise fresh money, might be impugned in the money market.

Mr. N. M. Samarth: I am sorry, Sir, to detain the House at this late hour, but as reference has been made to the subject as to what is to be done when the State is in such a state of financial stringency that it must keep its accounts in a particular way, I will again read another passage, a short passage, from Bastable on "Public Finance", who is my great authority. If I had to take my lessons in Public Finance from Mr. Seshagiri Ayyar or Mr. Ginwala, I would have to burn up all my text-books on the subject.

Mr. P. P. Ginwala: But from the Honourable the Finance Minister?

Mr. Jamnadas Dwarkadas: There is a great deal of difference between you and the Finance Minister.

Mr. N. M. Samarth: Now, Sir, the substance of that passage—I will give the reference, it is in Book 5, Chapter 5,—the substance of those two parts of paragraph 2, is that the State is in a different position from a private individual in the case of loans and borrowings, and the passage says that in the case of the State there are some special features of public economy that give a peculiar colour to its borrowing, more particularly in the case of the Central Government. The sources of individual wealth reside in property or person or capacity to earn. It is from them that all private income comes; but the State's revenue is mainly derivative. It can compel the tax-payer to supply funds. Now comes the passage to which I refer:

"The method of borrowing is therefore naturally suggested, where heavy taxation is for the moment undesirable and is further encouraged by the fact that public credit has the advantage of resting on a broader and more enduring basis. So far as a public domain is in existence, loans may be regarded as virtually mortgages raised on its security, as many of the early loans were in form as well as in fact."

He again proceeds:

"A second peculiarity of public economy is the difficulty of sudden retrenchment in its case."

And, consequently, he says:

"when under any given state of things, a deficit is imminent and new taxes are not for the moment available, borrowing is necessarily prescribed."

Well, I again say, I prefer to have my lessons in Public Finance from Bastable than from Mr. Ginwala or Mr. Seshagiri Ayyar. The question is specifically dealt with by him. Here we are faced with this necessity.

Mr. P. P. Ginwala: Sir, I rise to make a personal explanation. What I said was that if you said you were going to borrow in order to cover your deficit, I should have no objection for it would be a more straightforward course. What I was objecting to was the method.

Mr. N. M. Samarth: Again I say that Mr. Ginwala has some curious notions of public finance. When we say it is to be transferred into capital account, it means that it comes out of borrowing. Sir, this is not the only item that we ask to be transferred. There are several amendments of which notice has been given by me of the same character. I made the matter clear in my speech on the Budget. I am going to insist on the thing being done. It is not faking accounts but keeping accounts properly. It is improper book-keeping against which this Professor has protested, and he has said that if you ask any Department to make retrenchments you may take it that that Department will not make the retrenchments. If it is a complicated undertaking which the State undertakes, it is liable to resort to a bad or defective system of book-keeping. I can read you another passage to that effect. But there is no need to do so. I insist upon

P.M. purity of book-keeping in the Government of India; it is not faked, it is proper book-keeping I insist upon and I trust that the House will carry it.

The motion that the demand be further reduced by Rs. 1,14,00,000 was put and the Assembly divided:

AYES—67.

Abdul Majid, Sheikh.
 Abdul Quadir, Maulvi.
 Abdul Rahman, Munshi.
 Abdulla, Mr. S. M.
 Abul Kasem, Maulvi.
 Agarwala, Lala Girdharilal.
 Ahmed, Mr. K.
 Aiyer, Sir P. S. Sivaswamy.
 Asjad-ul-lah, Maulvi Miyan.
 Ayyangar, Mr. M. G. M.
 Ayyar, Mr. T. V. Seshagiri.
 Bagde, Mr. K. G.
 Barodawalla, Mr. S. K.
 Barua, Mr. D. C.
 Basu, Mr. J. N.
 Bhargava, Pandit J. L.
 Bishambhar Nath, Mr.
 Chaudhuri, Mr. J.
 Clark, Mr. G. S.
 Dalal, Sardar B. A.
 Das, Babu B. S.
 Gajjan Singh, Sardar Bahadur.
 Ghose, Mr. S. C.
 Ginwala, Mr. P. P.
 Girdhardas, Mr. N.
 Gour, Dr. H. S.
 Gulab Singh, Sardar.
 Hussanally, Mr. W. M.
 Ikramullah Khan, Raja Mohd.
 Iswar Saran, Munshi.
 Jamall, Mr. A. O.
 Jannadas Dwarkadas, Mr.
 Jatkar, Mr. B. H. R.
 Jejeebhoy, Sir Jamsetjee.

Joshi, Mr. N. M.
 Kamat, Mr. B. S.
 Lakshmi Narayan Lal, Mr.
 Latthe, Mr. A. B.
 Mahadeo Prasad, Munshi.
 Man Singh, Bhai.
 Misra, Mr. B. N.
 Mudaliar, Mr. S.
 Mukherjee, Mr. J. N.
 Mukherjee, Mr. T. P.
 Nag, Mr. G. C.
 Nand Lal, Dr.
 Nayar, Mr. K. M.
 Neogy, Mr. K. C.
 Pyari Lal, Mr.
 Ramayya Pantulu, Mr. J.
 Ramji, Mr. Manmohandas.
 Rangachariar, Mr. T.
 Reddi, Mr. M. K.
 Samarth, Mr. N. M.
 Sarfaraz Hussain Khan, Mr.
 Sarvadhikary, Sir Deva Prasad.
 Sassoon, Capt. E. V.
 Schamnad, Mr. Mahmood.
 Shahani, Mr. S. C.
 Singh, Babu B. P.
 Sinha, Babu Ambica Prasad.
 Sinha, Babu L. P.
 Srinivasa Rao, Mr. P. V.
 Subrahmanayam, Mr. C. S.
 Ujagar Singh, Baba Bedi.
 Venkatapatiraju, Mr. B.
 Vishindas, Mr. H.

NOES—37.

Abdur Rahim Khan, Mr.
 Achariyar, Rao Bahadur P. T.
 Srinivasa.
 Ahsan Khan, Mr. M.
 Aiyar, Mr. A. V. V.
 Allen, Mr. B. C.
 Amjad Ali, Maulvi.
 Blackett, Sir Basil.
 Bradley-Birt, Mr. F. B.
 Bray, Mr. Denys.
 Brayne, Mr. A. F. L.
 Bridge, Mr. G.
 Burdon, Mr. E.
 Cabell, Mr. W. H. L.
 Chatterjee, Mr. A. C.
 Crookshank, Sir Sydney.
 Faridoonji, Mr. R.
 Gidney, Lieut.-Col. H. A. J.
 Haigh, Mr. P. B.

Hailey, the Honourable Sir Malcolm.
 Hindley, Mr. C. D. M.
 Holme, Mr. H. E.
 Hullah, Mr. J.
 Innes, the Honourable Mr. C. A.
 Ley, Mr. A. H.
 Lindsay, Mr. Darcy.
 Mitter, Mr. K. N.
 Moir, Mr. T. E.
 Muhammad Hussain, Mr. T.
 Muhammad Ismail, Mr. S.
 Percival, Mr. P. E.
 Rhodes, Sir Campbell.
 Sams, Mr. H. A.
 Shahab-ud-Din, Chaudhri.
 Singh, Mr. S. N.
 Spence, Mr. R. A.
 Townsend, Mr. C. A. H.
 Webb, Sir Montagu.

The motion was adopted.

Mr. President: The question is:

"That a sum not exceeding Rs. 62,83,79,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Railways'."

The motion was adopted.

The Assembly then adjourned for Lunch till Ten Minutes Past Three of the Clock.

The Assembly re-assembled after Lunch at Ten Minutes Past Three of the Clock. Mr President was in the Chair.

DEMAND NO. 3—SALT.

Mr. A. H. Ley (Industries Secretary): Sir, I beg to move:

"That a sum not exceeding Rs. 1,13,84,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, on account of 'Salt'."

I only wish to say, Sir, that in making this motion, it involves, as the House will see, a reduction of Rs. 84,000 on the demand originally presented to the House, and that in effecting this reduction Government have proposed to accept in full the recommendations of the Retrenchment Committee.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,13,84,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Salt'."

It will probably save the time of the House if we have a general discussion on the administration of this department, and then take each motion for reduction, thus strictly limiting the subsequent debate to the issues raised.

Mr. T. V. Seahagiri Ayyar: There may be no motions.

Dr. Nand Lal: Sir, if the Honourable the Commerce Member will give me an understanding that the present system of issuing licences, in favour of a few merchants, which, to all intents and purposes amounts to a salt monopoly, will be abolished, then in the interests of economy of time I shall not move my motion.

The Honourable Mr. C. A. Innes (Commerce and Industries Member): Sir, if the Honourable Member wishes an undertaking from Government regarding the agency system, may I explain to him that we have already abolished to all intents and purposes the agency system in respect of certain Punjab sources, and that we have under consideration the question whether we should or we should not abolish the system altogether in respect of the Rajputana sources.

Dr. Nand Lal: I accept the explanation given, and therefore, I shall not press my motion, Sir.

Sir Deva Prasad Sarvadhikary: Sir, motions Nos. 83, 84, 86, 87 and 88 standing in my name on the paper seek to make a larger reduction than a lakh of rupees. Since the revised figures came to my hands, I sent in a revised motion asking for reduction of one lakh of rupees on the total demand, and I think it will be convenient if I take all the different items and indicate as to how that lakh of rupees can be made up without serious detriment to the working of the department

Mr. President: I understand the Honourable Member is moving a reduction on the whole vote?

Sir Deva Prasad Sarvadhikary: If I may, Sir, with your permission.

Mr. President: Then I think I must go through the others first.

Sir Deva Prasad Sarvadhikary: As you please.

Dr. Nand Lal: I do not propose to move mine in the interests of the economy of time.

Mr. President: That proposes a specific amendment on a particular point. Am I to understand that the motion which Sir Deva Prasad Sarvadhikary rose to move is to be taken as covering the large reductions upon the total vote?

Sir Deva Prasad Sarvadhikary: That is a bigger demand for cut, Sir.

Mr. President: Mr. Braja Sundar Das is not in his place.

Sir Deva Prasad Sarvadhikary: Sir, I base my request, I shall not call it a demand for further economy without attacking the department itself, the working strength of the department, establishment and such other things, which cannot be attacked on short notice. The second thing that I want to avoid is, demanding anything that may not be within the limitations of the retrenchment recommendations of the Inchcape Committee. If we save a lakh of rupees under this grant in other directions, it will enable us to get what we are trying hard to get, namely, a substantial reduction in the general expenditure. From that point of view, I am limiting myself strictly to expenses such as I have indicated in items Nos. 83, 84, 86, 87 and 88 which relate in all cases to allowances, honoraria, contingencies and such like things. In passing, I desire to acknowledge, Sir, that it has been pointed out to me that honoraria is not necessarily honoraria. That is I have been told only an account head called

' Allowance and Honoraria '. There may be no actual honorarium involved in that item. So when I speak of honoraria, I speak of the general account head ' Allowances and Honoraria '. I know, Sir, that in asking for a reduction in expenses under the heading ' Salt ' we are somewhat in the position of a person in whose house hemp or rope was not mentioned because a forbear was hanged in some previous period of time; it is hanging in prospect which we are trying to avoid. But it is not from that point of view that I am trying to recommend this reduction. Whether the increased salt tax comes or not will not be much of a matter so far as these expenses are concerned. Taking for example the first item of allowance and honoraria under the Northern India Salt Department, we have a provision for about Rs. 1,21,000 including house-rent, compensation for dearthness of food, and travelling allowances. I do not say that there should be no compensation for food or no house rents or no travelling allowances, but it is a big item and we want a reduction. Then going on to the next item of contingencies, we have the provision of Rs. 7,87,000 all over the place are strewn provisions for contingencies, travelling allowances, giving up some of which will not hurt efficiency but may bring us relief.

Then we come to the thick-lettered new items providing for Assistant Commissioner's bungalow, quarters for drivers and fitters, and various other new items of expenditure, some at least of which may stand over, and as I am cutting down my own demand for reduction to a lakh of rupees it ought to be possible for the authorities to distribute further cuts, so that a lakh of rupees may be saved. I do not want to touch the absolutely imperative items of expenditure such as godowns which may be required for the better working of the department, but providing quarters may in this year of financial stringency should stand over. About Rs. 40,000 could be saved under one item. I need not indicate the various other small items of allowances, honoraria and contingencies that are spread all over the budget. On the whole what I desire—and I hope the House will be with me in carrying out the suggestion—is that a small deduction of a lakh of rupees should be made. Incidentally we may take steps to see, if possible that the importation of salt should be brought down to a minimum and further facilities should be provided in this country for manufacturing a better class of salt. That can be done in some of the Bengal fields and other fields. But I shall probably be told that that will involve further expenditure. Not necessarily. It could be done by better organisation. At all events this small reduction of a lakh of rupees ought not to be impossible.

Mr. A. H. Ley: Sir, I am obliged to my Honourable friend, Sir Deva Prasad Sarvadhikary, for stating that in the first instance he does not propose in this motion of his to suggest a reduction of staff or establishment. I understand him to say that he proposes to effect this reduction by small items scattered over various portions of this budget and one of the main points that he raised was the provision for new works and quarters for the staff. I quite realise that he does not wish to cut down items which are obviously required for preserving the output of salt. But he did suggest actually that we should cut out the Assistant Commissioner's bungalow at Khewra and I think he was aiming at quarters for clerks and such items. Well, Sir, I only wish to point out with regard to these items that these are absolutely essential items if we are to retain our staff at Khewra at all. As the Honourable Member, I am sure, is aware, we adopted the policy

[Mr. A. H. Ley.]

of extending the works at the Khewra mines with the object of increasing the output of salt. This led in the first place to the appointment of an Extra Assistant Commissioner at Khewra, and the appointment of extra clerks, and it is absolutely essential to provide quarters for them for the simple reason that there are no quarters there at all. Khewra is a little settlement in the salt range. There are no houses there—the only people who go there are Government servants—so quarters have got to be provided. If you don't provide the houses you cannot send anybody there. At present, the quarters for clerks there are hovels—they can only be called hovels at the present moment. We have had trouble with our clerical staff at Khewra for the simple reason that we have not provided adequate quarters so far, and I am afraid that, if we refuse to adopt this grant, the only result will be that we shall not be able to post the staff which we require to Khewra. And the same remark applies to the other items with regard to quarters. I may say that these proposals for new quarters have all been considered in detail. They are absolutely essential proposals which we consider necessary to keep up the manufacture of salt. They have been consented to by the Standing Finance Committee and I do hope the House will support us in pressing that these quarters should be built. Perhaps I should say that, with regard to allowances and honoraria, which my Honourable friend referred to, we are proposing a total cut of Rs. 84,000. We are proposing, here again, following the Retrenchment Committee's Report, a cut of Rs. 26,000 in these particular items. The other items are essential. To take this particular item of travelling allowances—there is a small reduction here on last year as will be observed, in spite of the increase in railway fares. And we consider that this is essential, because the staff obviously has got to undertake frequent visits of inspection to see not only that the manufacture of salt is maintained but also to visit the salt sources, for instance in the Native States, in order to see that no illicit practices go on. We cannot possibly cut down the travelling allowances further, unless we agree to reduce those activities of the department, which, I venture to think, would obviously have very undesirable results. And again in supplies and services, we propose to cut that down by Rs. 15,000, following the Incheape Committee's Report, Rs. 5,000 in contingencies, and here again, following the Retrenchment Committee's Report, over Rs. 10,000 in petty construction and repairs. This is suggested by the Retrenchment Committee, although I feel that the Commissioner of Salt Revenue, Northern India, will experience great difficulty in giving effect to this recommendation, for the same reason as I have suggested in regard to quarters. I only wish to emphasise the fact that these proposals for new quarters and for new works, are all part of the general scheme which has been adopted for some years past in the Northern India Salt Revenue Department, and in Bombay and Madras to a certain extent, for developing our salt sources and increasing the supplies of salt. That is the main object to increase the supplies of salt, for three obvious reasons. They are, firstly, we want to make ourselves self-supporting. We don't want to rely more than we can help on supplies of imported salt. I think all Honourable Members will remember the difficulty which we experienced in 1918, for instance, when the imports of salt were curtailed during the war, and it was really then that this forward policy of developing our salt sources was started. Then secondly, as a corollary of that, it is felt, and I think all Honourable Members will realise, that this policy of the development of the salt sources in order to increase the supplies of salt is the one

satisfactory, obvious, economical way of keeping down, as far as we can keep down, the price of salt, which is, I think, an object which everyone of us has at heart. And, finally, of course, the third reason is that if the amount of salt is increased, we get something like five or six times the amount of expenditure back in the shape of revenue. So that is the basis of all these proposals for developing the salt sources, building works and quarters for the staff, and I do trust that the House will take this into consideration and will not support a motion for any further reduction.

Dr. H. S. Gour: Sir, there is one point in connection with my friend, Sir Deva Prasad Sarvadhiikary's amendment to which I should like to invite the attention of the House. The budget estimates for Salt appear to have been framed on the assumption that the enhanced duty on salt will be sanctioned by the House and increase the general revenue by $4\frac{1}{2}$ crores of rupees. Honourable Members will find, if they turn to page 300 of this Book of Demands, that our revenue from Salt is $7\frac{1}{2}$ crores per annum, and the Government expect to raise this revenue by $4\frac{1}{2}$ crores by the doubling of the salt duty. The estimate of expenditure under this head is therefore framed on that assumption. At any rate, it is perfectly clear that, if this House votes the additional duty on salt, the Government are not going to revise their figures and the figures which they have set out under demand No. 3 will be the expenditure incurred for raising salt worth $11\frac{1}{2}$ crores of rupees. That is a fact from which the Government cannot get away. I, therefore, ask, Sir, that, if suppose this House refuses the enhanced duty on salt, we shall be making only the estimated sum of $7\frac{1}{2}$ crores. (*The Honourable Sir Basil Blackett:* "Why?") Now, then I ask another question. Is expenditure of Rs. 1,14,00,000 odd justifiable for raising a revenue of Rs. $7\frac{1}{2}$ crores which works out to something like 15 to 20 per cent. of the gross revenue? I submit that there is ample room in this Budget for further curtailment of expenditure under this head. The Honourable the Mover of the amendment has drawn the attention of the House to various items appearing in black letters. Honourable Members will find that besides the construction of quarters for the Assistant Commissioner and the rest we have also on page 19 a very large sum earmarked for the revision of the pay of the establishment and so on. Now, I ask, Sir, is not this revision of the pay of the establishment contemplated in view of the additional revenue which the Government expect to make from this head of revenue?

The Honourable Mr. A. C. Chatterjee (Education Member): No, certainly not.

Dr. H. S. Gour: And I further ask, what urgent necessity is there for this revision of pay of the establishment in this year of straitened finance? As regards the building of quarters, Sir, if we have got no money, we do not erect new houses, but the Government seem to think otherwise. When they have no money in hand they complain that it would be an unwise policy to borrow money, and yet they ask the vote of this House for the construction of quarters upon which the return would be negligible. I therefore submit that so far as the construction of quarters is concerned, no case has been made out why this House should vote the additional sum demanded from it for the construction of quarters; and as regards pay and allowances, our best justification for refusing an enhanced grant is that we ourselves are passing through a severe financial crisis, and as the whole country suffers, our staff on the salt works must wait for another 12 months. On these grounds, Sir, I support the amendment.

The Honourable Mr. A. C. Chatterjee: Sir, the Honourable Dr. Gour has tried to confuse the issues and mislead the House. The proposal to enhance the salt duty has nothing whatever to do with this demand for a grant for the manufacture of salt and for the establishment of a preventive staff. It has nothing whatever to do with it. I think the Honourable Dr. Gour ought to have known that. He has been in this House for the last three years. This demand has been debated on year after year. It has been discussed before the Standing Finance Committee in detail and the Honourable Dr. Gour has been furnished with the proceedings of the Standing Finance Committee. Sir, I am pained and surprised to hear the line of argument which has been adopted by the Honourable Dr. Gour. The whole object of Government, Sir, as has been explained more than once, has been

Dr. H. S. Gour: True economy.

The Honourable Mr. A. C. Chatterjee: to develop a Swadeshi industry. We expected that this House would support Government in that enterprise. Instead of that, Dr. Gour comes and crabs us. He has taken exception to the revision. So far as I can judge, the only material point he has raised is with regard to the provision of quarters and the revision of the pay of the establishment. With regard to the provision of quarters, Sir, I should like Dr. Gour to go and live in Khewra and then he will know what it is like. I paid my first visit to Khewra last October. I was, I must confess, rather reluctant to be any party to the construction of a large number of quarters without knowing what was really required. So I paid a visit to Khewra. I came to the conclusion that I should not like to live there even if the most luxurious quarters were provided for me there. It is the bleakest spot I believe in India. It is right in the heart of the salt range. There are no villages and no habitations anywhere near there. These people have to go and live right down in the heart of that mountain without any shelter from rain or from sun, and it is only right when Government is a large employer and when Government is making any profits out of a particular industry that it should provide quarters for its labour. I think, Sir, it is inhuman to contemplate that we should employ people there, whether they are Assistant Commissioners or whether they are labourers and should allow them to suffer from the inclemencies of the weather in a most desolate spot such as Khewra is. I would most earnestly request the House not to cut down this provision for quarters. With regard to the pay of the establishment, that comes mostly in Bombay and Sind. The fact is that when salaries were raised all round two or three years ago, these people were not given the enhancements that were due to them. This was kept back for two years for scrutiny by the Bombay Government and by the Government of India. The most elaborate scrutiny was applied to these proposals and I may say, that after the Government of India had come to the conclusion that these increases should be allowed, the proposals were most elaborately scrutinised again by the Standing Finance Committee and any Member of the Finance Committee here will bear testimony to the fact that the proposals were most moderate and by no means generous. I think, Sir, it would be extremely unfair on the part of this House to cut out this provision for a revision of the pay of the establishment in the case of men who have been waiting for this revision for the last three years. I do not think, Sir, I have anything further to say. I hope, Sir, that now this demand will be passed by the House.

Mr. Pyari Lal (Meerut Division: Non-Muhammadan Rural): Sir, the proposition before the House is what I would call a commonsense proposition. We are passing through very stringent times and our duty is to manage our house as best we can while we are tiding over these bad times. The position is, we are faced with a deficit of Rs. 4½ crores and we are trying to set our house in order. We feel that we can do, as we have done in the past for so many years, without these quarters for Assistant Commissioners.

The Honourable Mr. A. C. Chatterjee: No.

Mr. Pyari Lal: There is no reason why we should not do without them for another year.

The Honourable Mr. C. A. Innes: Who is to do without them?

Mr. Pyari Lal: In the same way, the provision for the revision of the salaries of these clerks and other establishment could wait for another year as they have waited for so many years. Dr. Sarvadhikary originally proposed a cut of nearly 5 lakhs but now he has come down to a very proper figure of 1 lakh. This is a very modest sum especially when you cut 1 lakh out of a total expenditure of 1 crore and some lakhs, and this sum can be very easily met. The Department should consider that they are so hard up and should not incur any unnecessary and avoidable unpopularity in the country by imposing a salt tax. We want to avoid that, and the best way is to cut down our expenditure as best we can and act as a prudent householder. What would an ordinary householder do when he is confronted with a difficulty of that sort? He will cut down his expenditure in every direction and absolutely avoid all expenditure of a new character. The Government of India ought to do the same and it is in that sense that this reduction is proposed. Dr. Gour said that the Government of India or the Finance Member is contemplating an increase in the salt revenue by 4½ crores or 5 crores and that is why he has thought fit to indulge in the luxury of granting additional pay or additional houses or additional quarters. From that he drew the inference "because this provision is entered in the budget therefore I say that he wants this additional income," not that he said that it is expressly provided in the Budget and in that sense I think the Honourable Mr. Chatterjee wrongly understood him.

Mr. C. A. H. Townsend (Punjab: Nominated Official): I know Khewra well and that is my only excuse for taking up the time of the House. I have been more unlucky than the Honourable Mr. Chatterjee in that that place is in a sub-division in which I was stationed in the earlier part of my life in India. Strange to say, I was very happy there: it may, however, have been because I had a house there. I entirely agree with every thing that has fallen from Mr. Ley as to the necessity of providing quarters at Khewra. I can add nothing to what he and Mr. Chatterjee said as to the impossibility of finding any quarters for the new staff they are proposing to send there, to a village which entirely depends for its life on the salt industry. As regards the general remarks that have fallen from the last speaker and from Dr. Gour as to the advisability of postponing this expenditure till times improve, I would draw the attention of the House to the footnote (a) at page 17 of the Demand for Grants:

"Provision made for improvement of salt sources and development of mines which will yield increased revenue."

[Mr. C. A. H. Townsend.]

That point was made by Mr. Ley also, but I wish to draw the attention of the House to it. I was, as Director of Civil Supplies in the Punjab during the concluding years of the war, acquainted with the problems that confronted Government owing to the cessation of import of salt by sea into India and with the great trouble that people in the whole of north India were put to owing to the consequent very great rise in the price of salt. The Government of India is entirely right in trying to overcome these difficulties and to develop the salt industry in India and thereby help an indigenous industry. I earnestly ask the House to reject this amendment.

Mr. N. M. Samarth: I am afraid my Honourable friends who have raised the question of retrenching the expenditure of this Department are labouring under some misapprehension. If they refer to the statement, Revised Schedule of Demands, at page 3 they will find that the Retrenchment Committee recommended a reduction of Rs. 19,15,000 and they will find in the last column that the whole of the reduction has been given effect to. Unless Dr. Gour means that somehow or other the Members of the Retrenchment Committee were taken into the confidence of the Government of India and told that they were going to raise the salt tax by doubling it, I do not know how the Retrenchment Committee recommended only Rs. 19,15,000. It is unreasonable to suppose that they knew anything about it and the Department has given effect to the full cut recommended by the Incheape Committee. Besides, as a Member of the Standing Finance Committee these proposals of the Salt Department came to us and we scrutinised the proposals of this Department very carefully and we sanctioned in some cases extra expenditure, say, at Tuticorin because we knew that the expenses incurred there for housing and other things, the construction of works and so on, would bring in more salt and practically, if I may say so, reduce the importation of European salt at Calcutta. If that is so, it is an indigenous industry and everything that is necessary to see that that industry thrives should be done, and I trust that the House will not accept any curtailment.

Sir Deva Prasad Sarvadhikary: I do not believe in a house divided against itself, and certainly not in section of the House divided into subsections. Therefore I ask your leave to withdraw my amendment after Mr. Samarth's rebuke.

The amendment was, by leave of the Assembly, withdrawn.

Babu Braja Sundar Das (Orissa Division: Non-Muhammadan): I move:

"That the Demand under the head 'Salt' be reduced by Rs. 14,78,000."

Sir, there is nothing in the budget to show what sum is spent on the production of salt and what sum on the prevention of the illicit manufacture of salt. From the figures that we have in the budget we cannot understand that. That puts us in a very bad position to make up our minds regarding the demands. The Honourable Mr. Chatterjee has just narrated that it is a growing Swadeshi concern and therefore no cut should be made under this head. I would refer to page 224 of the Indian Retrenchment Committee Report where you will find that the province of Bengal depends entirely on imported salt. So does the province of Bihar and Orissa to a certain extent. Nay, Orissa with a large seaboard entirely depends on the imported (either provincial or external) salt, and India

with a vast seaboard of thousands of miles is depending on imported salt. On the 5th March 1921 I asked a question of the Government and there it was stated that about one-fourth of the salt consumed in India was imported from outside. So, I fail to understand how the Swadeshi concern helps us in getting all our needs from the country itself. In 1918 we in the Bihar and Orissa Legislative Council moved a Resolution for the manufacture of salt on the Orissa coast, but I think it was negatived by the Government of India. Therefore I think that the Swadeshi concern in respect of salt which is said to be a growing concern is not making much headway and hence I move my amendment that this amount be deducted from the expenditure that is incurred on the prevention of illicit manufacture of salt.

The amendment was negatived.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,15,84,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Salt'."

The motion was adopted.

DEMAND No. 4—OPIMUM.

The Honourable Sir Basil Blackett: Sir, I beg to move:

"That a sum not exceeding Rs. 1,85,53,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Opium'."

Dr. Nani Lal: The opinion on this side of the House is that no amendments may be moved.

Mr. President: The question is that that demand be granted.

The motion was adopted.

DEMAND No. 14—GENERAL ADMINISTRATION.

The Honourable Sir Malcolm Hailey: I beg to move:

"That a sum not exceeding 74 lakhs be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'General Administration'."

Honourable Members will see that the sum originally placed in the Demands for Grants was 81,58,000. The reduction now proposed as the result of the report of the Incheape Commission is 7,58,000, making a net demand of 74 lakhs. If Members wish to compare the progressive reduction of expenditure under this head they will find the figures at the bottom on page 86 of the Demands for Grants. In 1921-22 the actual expenditure was 1,25,06,489. In 1922-23 our estimate was 1,03,32,000, exclusive of exchange. The revised estimate for 1922-23 was 1,32,05,000 inclusive of exchange, exchange accounting for 26½ lakhs. Our budget estimate is 1,20,20,000 inclusive of exchange which will now be reduced, owing to the reduction of 7,58,000, by a further 12 lakhs, of which 7½ lakhs are voted. It will therefore be 1,08,20,000.

Hill Journey Allowances of the Governor General.

Munshi Iswar Saran: With your permission, Sir, I should like to modify my amendment and move it in the revised form:

"That the provision of Hill Journey Allowance under sub-head 'Staff and Household of the Governor General' be reduced by one rupee and also that the provision for Hill journey allowance and Hill journey charges wherever they occur be reduced by one rupee."

[Munshi Iswar Saran.]

It will be in the recollection of the House that there was a debate in 1921 when the House had an opportunity of considering this question and I must say that the opinion of the majority then was that the present system of the move to Simla should be kept intact. But, in spite of that vote of the House this question will continue to come before us till it is finally settled in the way in which the country wants it to be settled. We have it in the report of the Retrenchment Committee that the cost of this move was about 3,87,000, in 1921-22, and it strengthens our position to find that the Incheape Committee itself has recommended a substantial reduction in the staff of officers that go to the hills as well as the amount of establishment and so on. I say, that is a vindication of the position that was taken by those of us who were against the Simla exodus in 1921. I venture to think that the position taken up by Government on that occasion was that the matter rested entirely with us. The question was left in our own hands and Government said distinctly that they were not going to take any part or express any opinion either way. That shows, I think, that the Government itself has now begun to see the wisdom of the step that is being advocated and which at the present moment I have the honour to advocate. This question, Sir, can be looked at from two points of view. One is financial and the other is the general point of view. Now, we all know that in the old Imperial Legislative Council there were many Members who raised their voice against this exodus to Simla. We also know that the National Congress, other political bodies, provincial as well as local, have expressed themselves clearly and emphatically against this exodus. It is true that the financial aspect

4 P.M. of it may not be very serious and I do not wish to exaggerate it. For the last two or three days we have been hearing only of crores. Where crores are spent in this fashion, after all it does not really so much matter that a few lakhs of rupees are spent over the move to Simla; but I do venture to think that there are other considerations which make it imperative to express our opinion decidedly against it, and the reasons are these. No Government can successfully administer a country if it is not in close, intimate and daily touch with the people. (Sir Deva Prasad Sarvadhikary: "How about Delhi"?) My Honourable friend, Sir Deva Prasad Sarvadhikary, seems to imagine that outside Calcutta there is no place a contact with which would be of any help to Government. That is not so. As regards Delhi, this is a closed question now, but if we were free to discuss it, I think my Honourable friend himself would admit that a great deal could be said in favour of Delhi as well as in favour of Calcutta. (Voices: "More so in favour of Bombay.") Now, Sir, there is no doubt that this proposition cannot be got over that for successful administration it is absolutely necessary that you should be in touch with the people. Sir, I venture to think and I hope at least some of my friends will at least agree with me that, if Government had been in close touch with the people during recent times, some of the unhappiest and most unfortunate events that have taken place would perhaps have not occurred. Sir, I dare not prophesy, but, if I could, I would say that the historian of the future, when he begins to write the history of India, will feel amazed that a Government from the hilltops used to administer for about half the year this vast and great country. You cannot govern and administer a country from the clouds; that is perfectly obvious (Mr. R. A. Spence: "What about keeping your head cool"?) (Dr. Nand Lal: "That is exactly the point.") Now, Sir, reference has been made to

climate and there is no doubt about it that in April, and May, and in the hot weather generally some parts of India and, I must say most frankly Delhi also are hot. (*A Voice*: "And Allahabad.") Yes, Allahabad is hot. (*A Voice*: "Very hot.") Yes, but if you got a fee you would not mind going there. (*Dr. Nand Lal*: "You have got your home there.") Sir, let us look at the question seriously. The climate of Delhi is hot, but, if you undertake the responsibility of governing and administering a hot country, you cannot run away from the heat, you have got to put up with it. That is the first question and the fundamental question which you have got to face. Sir, as regards the principle underlying my amendment is concerned, I venture to hope that there will be no serious disagreement with me, but where the disagreement comes in is when you come to look into practical difficulties and personal considerations, and I wish to refer very briefly to those. It is said it is very comfortable and very pleasant to go up to the hills in the hot weather. Well, Sir, I cannot say that it is not so, but there are so many things which are convenient and comfortable, but which for good and valid reasons we dare not have. Sir, who is there, if he had the money, would not drive in a Rolls Royce? Who is there who would not live in the hills? Who is there who would not like to have all the comforts and even luxuries of life? But the financial and other considerations prevent a man from having them. Now, what I tell you is this. Here, in India, you have millions of people living and working in the plains in the heat. Do they all go up to the hill-tops? Do people go up to Simla and Naini Tal, I am speaking of my own province. How many do? Very few. (*Lieut.-Colonel H. A. J. Gidney*: "Many.") My Honourable friend, Colonel Gidney, is so displeased with my remark yesterday that I should not say that by this interjection of his he betrays his colossal ignorance of the real Indian community.

Now, Sir, it may be true that you work better on the hills; it is more comfortable; but, Sir, I ask, is it impossible to work in the plains? I shall run very hurriedly over all these arguments which have been repeated so many times. Do not Judges work hard here? I am only talking now of the case of Europeans. (*Cries of "No. no."*) My Honourable friend, Sir Malcolm Hailey, used to work in the plains, but, since his translation to the Executive Council, I suppose he has lost this capacity of working in the plains during the hot weather.

The Honourable Sir Malcolm Hailey: I hope the Honourable Member does not suggest that I do not work now.

Munshi Iswar Saran: Now, Sir, you have a number of barristers, a number of big merchant princes; they all work on the plains. (*Sir Campbell Rhodes*: "Hear, hear.") My friend, Sir Campbell Rhodes, says, "Hear, hear," because he has got to work in Calcutta; he cannot leave his work and go up to the hills and do all his business from there. Occasionally he goes to the hills, but not like you from April to September, I think. (*Dr. H. S. Gour*: "Till the end of October.") Till the end of October. Sir, if you look at this question from the purely personal point of view, there is a great deal to be said in favour of this move to Simla and I would certainly vote myself in favour of this exodus to Simla if that was the real standpoint of looking at the problem, but if, as representatives of the people, it is our business to take into consideration these grave and serious questions of principle, then, I say it is our clear duty to say that the Government ought not to go up to the hills and that we ourselves should not hold our

[Munshi Iswar Saran.]

meetings in Simla. The Government, on the last occasion when this question was discussed, left the matter in our hands, but I am very sorry to say that by our own action we did not take advantage of the position taken by Government. I do sincerely hope that on the present occasion we shall give a better proof of our long-sightedness and of our patriotism by accepting this amendment.

Sir, there is one question I would like to ask. I have never been to England but I am told that in winter it is very cold. That is what some of my friends who have been to England have told me. If that is so—I have no information about it myself—will some of the Honourable gentlemen occupying the Front Benches tell me if the Members of Government run away from England during the cold weather (*A Voice*: "They do.") in order to avoid climatic conditions. (*A Voice*: "They do.") I should like to ask my Honourable friend where the Parliament sits in winter. Let my Honourable friends name the place where for 4 or 6 months in the year British Government permanently resides away from London. That is the point; not that individual members go for short periods. It is no good, I submit, Sir, looking at this question in this light-hearted fashion. Do it if you like, but take it from me that in the next Council or in the Council after the next this question is bound to be settled and settled in the only way in which it ought to be settled—that is, the exodus will have to be stopped. (*Several Honourable Members*: "Certainly not.") Some of my Honourable friends who are opposed to it say "Certainly not." What is the good of saying it, when they know that the better mind of the country is almost practically unanimous on this point, that there should be no exodus to the hills. They have exposed the harmfulness and the wastefulness of this migration to the hills times out of number, and it is for us, if we feel for the country and represent its interests to say emphatically that this exodus to the hills is harmful, and to vote to-day in favour of the amendment.

Rao Bahadur T. Rangachariar: Sir, I rise to a point of order. I want to move a more substantial amendment. I do not want to play with the subject, but to be serious about it.

My amendment is No. 330.

Mr. President: I will put the first:

"That the provision for Hill Journey Allowance under sub-head 'Staff and Household of the Governor General' be reduced by Re. 1."

It must be understood that if I allow the discussion to proceed on Munshi Iswar Saran's amendment for the reduction by Re. 1 of the provision for Hill Journey Allowance under sub-head 'Staff and Household of the Governor General', the House cannot open the question again after it has decided that—open the question, that is to say, of the move to the Hills.

Rao Bahadur T. Rangachariar: Then, Sir, I will have to move my amendment about Hill Journey Allowances. No. 330.

Dr. H. S. Gour: I have also a question to ask. I have a series of amendments, not directed against the move to the hills but against the long stay of the Government and the Members in Simla, as I want to cut down the expenditure to a minimum.

Mr. T. V. Seabagiri Ayyar: May I make a suggestion in regard to this matter? I have also two amendments at page 24, and my Honourable friend, Mr. Rangachariar, has one, No. 330. Would it be possible to have a general discussion, and then take votes upon the various motions? That would be the best thing. There are two amendments of mine, one of Mr. Rangachariar, and one of Munshi Iswar Saran.

Mr. President: All I was pointing out was that we cannot have the discussion twice. As far as the Chair is concerned, there is no objection for taking the discussion under any of these heads.

Dr. H. S. Gour: Sir, I think all the amendments can be boiled down to three points: that there should be no move, that the move should be for a shorter period, and that in any case the Legislative Assembly and the Council of State should not hold their Sessions in Simla. These are the three points upon which all these amendments converge, and if you, Sir, would direct the House upon these three points, it will help us.

Mr. President: It is obvious that the question of the sitting of the Legislature in Simla is a separate one to the move of the Government to the hills. These can therefore be taken as separate amendments. The other relates to the time which the Government of India spends actually in the hills, and I am afraid it is a little difficult to see on what amendment it can be taken. If that is the point which Mr. Rangachariar wishes to raise

Rao Bahadur T. Rangachariar: Yes, Sir.

Move of the Government to the Hills.

Mr. President: We had better proceed with the issue in its largest form raised by Munshi Iswar Saran. The House will be restricted to the argument that there should be no move to the hills at all.

Sir Deva Prasad Sarvadhikary: That would not shut out observations on the cutting down of the demand under General Administration—say, for instance, in connection with my amendment No. 336; I gather from what has fallen from you, Sir, that reference to Hill charges would not be allowable later on when the question of detailed demand referring to Hill charges under General Administration comes on.

Mr. President: The motion for reduction made by the Honourable Member from Allahabad raises the issue in its naked form, that there should be no move to the hills. When we dispose of that question, I shall tell Honourable Members what is in order and what is not.

The Honourable Sir Malcolm Hailey: We have an amiable habit in this House of discussing for nearly three quarters of the day what we shall talk about for the rest of the day; but I understand that we are now to discuss only the question whether the Government of India should move to the hills at all, and, by implication, I assume, also whether the Legislature . . .

Dr. H. S. Gour: No, no. You have distinctly ruled, Sir, that the question of the Legislature will be the subject of separate discussion.

Mr. President: The Honourable Member from Allahabad, in the way he has put his question, has raised the question of the move of the Government of India to the hills, and those who wish to discuss that question will discuss it in this debate. Those who desire to speak on the

[Mr. President.]

subject of the Legislature sitting in Simla will presumably reserve their remarks till we come to the other amendment.

The Honourable Sir Malcolm Hailey: I see I should have said nine-tenths of its time instead of three-quarters! Well, Sir, this proposition has not now been put forward nor is it being debated, for the first time. As Munshi Iswar Saran says, it was debated in 1920 first of all in the old Council. We then had thirteen capitals indicated to us, each with its own claims. It was debated again in some form in 1921, but in a form that did not allow of a definite decision as to whether the Government of India should go to the hills or not. There of course the motion was that the Assembly recommend that a Committee should be appointed to go into the possibility of establishing a permanent capital of India in a place possessing a salubrious and temperate climate throughout the year. The preliminary discussion whether such an attempt was necessary occupied most of an afternoon. It began at 3.10, I notice. At 4 o'clock, we had exhausted the claims of Nagpur, or it might have been perhaps Pachmarhi. We proceeded shortly afterwards to discuss other alternatives, and we got thoroughly tired of the question towards evening and took no vote on the matter. Now I hate to spoil sport. There I see sitting my Honourable friend, Sir Basil Blackett. He has before him some tiring days which may involve the cutting down of some of his demands for grants. If I did my duty by him, I should incite the House to prolong consideration of this engaging topic, hoping to occupy some considerable part of the remaining few days before the guillotine comes down and saves the remainder of his demands. But I suggest, Sir, that after all, if you move a nominal reduction in order to call forth an expression of the opinion of the Legislature, it should be in a matter which can have effect on the current Budget. It would be valuable no doubt if we could get from this Assembly an opinion as to what we should do in the summer, but whatever that opinion may be it would be impossible that we should give effect to it in the present year—that is to say, that if it were decided that we should go to one of the many capitals which have been recommended to us, it is of course clear that we could not do so for many years to come; and if the decision were that we should stay down here in the hot weather, even so it is well known that we have not as yet and will not have for a couple of years the buildings which will enable us to do so. Our Secretariat is not ready, our houses are not ready. Therefore, putting it on that ground only I think that the House would hardly be justified in proceeding to a discussion to settle this question under the impression that a decision could have any effect on the budget of the present year. There will come a time of course when the question will possess more relevance, that is to say, when New Delhi is complete and the House itself has some experience of what a hot weather in Delhi means. I speak of it myself without any apprehensions at all for two excellent reasons: it is probable that I shall not be at the time in India, and in the second place having spent six hot weathers here I shall not mind spending another. I can therefore be perfectly impartial when speaking on the subject, but I claim it is only a House with experience of our summer arrangements in Delhi and of the capacity of the New Council Chamber that can give a final decision whether it would recommend to the Government of India to stay here or go to the hills. I would suggest that the House refuse to enter into a discussion on this topic to-day or to decide the question so much in advance of a period when we can give effect to it. I would only note one thing, Sir, it is curious that we are now only in the

middle of March, in an exceptionally cold season, and yet at the very moment that Munshi Iswar Saran began to suggest that we should not go to the hills, somebody demanded that the fans should be put on!

(Cries of: "Withdraw, withdraw.")

Rao Bahadur T. Rangachariar: Sir, much to the dissatisfaction of my Honourable friends who cry "withdraw", "withdraw", I am sorry to say it is impossible for us who take this view to agree to such a course. It was very well to say in the first year "Have experience." We have had experience of Delhi; we have had experience of Simla. Sir, the move of the Government of India to the hills, to delightful Mashobra and other sweet spots there, which I have myself enjoyed, is too attractive indeed. We are all human, no doubt. But at the same time we have to consider the year we are passing through, the financial crisis the country has been passing through, the burden of taxation which we have been putting upon the country year after year; and, Sir, to say "withdraw, withdraw" a serious motion like this, I really cannot understand. Sir, I will have my say notwithstanding the cries. Sir, I beg to suggest that a beginning should be made in this direction. It is not too soon to begin. If the House affirms its opinion that the move to the hills is undesirable, I think it is by means of a vote like this that we should express our opinion. I agree the time is not yet that you can abandon the whole move to the hills next year; that is not the suggestion of this motion. But this House, having had three years' experience of the way in which the Government of the country is run, having had intimate and close acquaintance with the way in which the Government of India is transacting its business, it is up to us to record our emphatic opinion that it is no longer desirable that this practice should continue. Here you are all elected representatives of the people who sent you here to watch their interests. Are we really advancing their interests when you say "By all means, go on, govern the country from the hills"? Why, Sir, London has become a very short journey just now. Why not govern the country from London? If the Assembly moved to London and held its summer Sessions there, probably we may be able to influence the administration much more effectively than we are doing here. The Noble Lords, Lord Peel and Lord Winterton might perhaps condescend to grace this Assembly with their presence more often to watch the debates in this House, before talking of this young and inexperienced and enthusiastic Assembly who have committed errors now and then. Sir, why not we move to London? Why not? It is as practical, as useful, perhaps as I said more useful than moving to the hills and trying to govern the country from the heights of Simla. What happens? It is said they go there for six months. But really work is put out of gear for say a fortnight before and a fortnight after. Look at the move of the whole Secretariat including the army of clerks, peons, bearers and records; and look at the extraordinary move which takes place in April and again in November. You have to see the train loads of people and goods and other things which pass between Delhi and Simla. Look at the enormous waste of expenditure. When are you going to begin to put a stop to this? I may be told that nobody can tell when New Delhi is going to be finished. Can anybody tell? Probably we will have to ask an astrologer to say when that day will come. Are there not houses enough here? Is it necessary that the whole of the Secretariat, including this army of clerks, should go there? Cannot business be transacted if His Excellency the Viceroy and the Members of the Executive Council stay there with their important Secretaries and

[Rao Bahadur T. Rangachariar.]

Under Secretaries, the other people, poor mortals like myself, staying here and doing the work? Why should all these people be taken there? I have no doubt they are tempted by the Simla allowance, house allowance, local allowance and all those things. But look at the torture these people are put to. Look at the depths they have to go down every day and come up. Has any Honourable Member gone down to those places where the Indian clerks have to live and seen how after a heavy breakfast they have to walk up? I mean it is all very well for us to talk of joys for those of us who live in big palaces and all that on level roads and go about in rickshaws or ride. What about these poor people who have to go down and mount up immediately after a heavy breakfast, mount up perhaps a thousand feet? I do think, Sir, the time has come when this representative House should express its opinion. Even the unrepresentative House time after time recorded its opinion by its non-official votes. No doubt the official majority were able to defeat motions which were brought then. Now, Sir, with an elected majority of representatives of the people in this House, if this motion should be defeated, I do not think it will redound to our credit or add to our colours. It is quite true that it is not a practical proposition now as the Honourable the Home Member said; but they can cut short the stay there. Why should they stay there for six months all round? Could not Honourable Members stay there for three months? Have not the Provincial Governments set an example in this matter? I know Sir, that the Madras Government moved up to Ooty for six months, following the vicious example of the Central Government, and now they have come down; only the Governor and the Members go there and they stay there for only three months or four months; the Secretaries go and come and the whole of the Government is carried on at Madras. Madras is quite a hot place; in fact the weather there can only be classified into hot, hotter and hottest; you have no cold weather there at all. Therefore, when Madras has set an example, and other provinces have set an example, why should we, why should this Central Legislature set a vicious example to other Provincial Governments to follow? They have already set a good example. You have to recognise the financial limits, the financial resources of the country. Can we afford to have this costly move up and down year after year? We are all accustomed to be brought up in luxury, especially magnates from Bombay, and our Punjab friends are anxious for hill stations. (*A Voice*: "Supposing Bombay magnates are not in favour of going to the hills.") Then that shows they are not here sitting as magnates. I am proud of that. We are here for the toiling millions who cannot get even one full meal a day and from whom we wring and we propose to wring the salt tax, why? In order to meet this costly administration. And are we going to allow this costly administration? I am told "withdraw, withdraw" on a plain matter of this sort on which the country has been agitating year after year; Congress after Congress has been agitating over this question of exodus to the hills and the country has been crying hoarse for the last so many years. I do not know, Sir, if this was not the first question which every politician took up and was agitating time after time. In a matter of this sort when we have had enough experience an expression of opinion on our part will greatly add to the weight of the opinion of the country, and I do hope, Sir, this House will carry the vote which is clearly its pious expression of opinion in order that it may be given effect to in later years when Delhi is really fit for habitation to such Honourable Members who think that Delhi is not fit for habitation. What about the 2 lakhs of people who live here all the year round?

Are we better than those human beings? Are they not human beings like ourselves. It is said that Delhi is unfit for habitation. I ask, do these 2 lakhs of people flee away from Delhi? Sir, it was not without a purpose that I called for a fan. I called for it deliberately because of the coming motion. I wanted to remind Honourable Members that Delhi is not what it was years ago. Thanks to our engineers, thanks for the other comforts which have been added time after time. You can make a cold room warm, and you can make a hot room cold. That is exactly the reason why I called for fans in order to remind Honourable Members of the existence of these fans. Therefore, I say, Sir, with all these modern conveniences, living in such open spaces as Raisina where you have got all the conveniences

Mr. P. P. Ginwala: No, no.

Rao Bahadur T. Rangachariar: It is all very well for Mr. Ginwala to say no, no, but I do enjoy this place, and if we really hold a Session in the hot weather, there is nothing to be afraid of. No doubt we have hot winds. You may have hot winds, but where have you not got them? Let us remember that we are born in this country. That is why I told my friend Sir Basil Blackett on the Budget speech 'love the heat of this country'. It was not without a purpose I mentioned that to him. If you love the heat of this country, then only you will love the people of this country, and therefore I say let us not flee from the heat of this country. Sir, I strongly support this motion.

Sir Deva Prasad Sarvadhikary: Sir, I desire to give this motion my very strong and hearty support, but I do not propose to walk into the trap and take up much of the time required to be devoted to other grants. I do not suggest that the trap has been laid by the Leader of the House, on the other hand he has frankly warned us against it. But before we get away from the confusion of issues I think this House owes an initial duty. As we are discussing the question of the staff of the household of the Governor General, I think it is up to us to acknowledge and appreciate what His Excellency has been pleased to do himself not only in graciously accepting, but in suggesting cuts in his own household, an example which might well be imitated by others

Mr. President: The House is now discussing the move to the Hills of the Government of India.

Sir Deva Prasad Sarvadhikary: Exactly, Sir. When we know and appreciate what the Governor General himself has done in effecting cuts in his own household, and as we know that the vote will come to His Excellency, he will surely be helpful in giving effect to the desires of this House in this concern if they are unanimously expressed, so far as the non-official portion of the House is concerned. That is the bearing of my reference to what His Excellency has done. The move from Calcutta did one good and 'the only good; in reducing the hill charges,' and it is up to us now to further reduce them. We want to do that and take the first step this year by accepting some motion later on for cutting down the hill charges. We do recognise that we cannot do the whole thing this year, and it will have to be done year by year; but the first step has to be taken this year. From that point of view and as a recognition of principle, I think this House should take the initial step of carrying this motion so that when the items relating to hill charges come up we may give effect to the principles we lay down and reduce the expenditure as far as possible.

Mr. President: The original question was :

"That a sum not exceeding Rs. 74,00,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'General Administration'."

Since which an amendment has been moved :

"That the provision for the Hill Journey Allowance under sub-head 'Staff and Household of the Governor General' be reduced by one rupee."

The question I have to put is that that reduction be made.

The Assembly divided :

AYES—50.

Abdul Majid, Sheikh.
Abdulla, Mr. S. M.
Abul Kasem, Maulvi.
Agarwala, Lala Girdharilal.
Ahmed, Mr. K.
Asjad-ul-lah, Maulvi Miyan.
Ayyangar, Mr. M. G. M.
Ayyar, Mr. T. V. Seshagiri.
Barodawalla, Mr. S. K.
Basu, Mr. J. N.
Bhanja Deo, Raja R. N.
Bhargava, Pandit J. L.
Bishambhar Nath, Mr.
Chaudhuri, Mr. J.
Das, Babu B. S.
Faiz Khan, Mr. M.
Girdhardas, Mr. N.
Gour, Dr. H. S.
Gulab Singh, Sardar.
Hussanally, Mr. W. M.
Iswar Saran, Munshi.
Jamall, Mr. A. O.
Jannadas Dwarkadas, Mr.
Jatkar, Mr. B. H. R.
Jejeebhoy, Sir Jamsetjee.

Joshi, Mr. N. M.
Kamat, Mr. B. S.
Lalshmi Narayan Lal, Mr.
Mahadeo Prasad, Munshi.
Misra, Mr. B. N.
Mudaliar, Mr. S.
Mukherjee, Mr. J. N.
Mukherjee, Mr. T. P.
Nag, Mr. G. C.
Neogy, Mr. K. C.
Ranji, Mr. Manmohandas.
Rangachariar, Mr. T.
Rhodes, Sir Campbell.
Samarth, Mr. N. M.
Sarvadhikary, Sir Deva Prasad.
Sassoon, Capt. E. V.
Shahani, Mr. S. C.
Singh, Babu B. P.
Sinha, Babu Ambica Prasad.
Sinha, Beohar Raghurib.
Srinivasa Rao, Mr. P. V.
Subrahmanayam, Mr. C. S.
Venkatapatiraju, Mr. B.
Vishindas, Mr. H.
Willson, Mr. W. S. J.

NOES—53.

Abdul Quadir, Maulvi.
Abdur Rahim Khan, Mr.
Abdul Rahman, Munshi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Ahsan Khan, Mr. M.
Aiyar, Mr. A. V. V.
Aiyer, Sir P. S. Sivaswamy.
Akram Hussain, Prince A. M. M.
Allen, Mr. B. C.
Amjad Ali, Maulvi.
Bagde, Mr. K. G.
Barua, Mr. D. C.
Blackett, Sir Basil.
Bradley-Birt, Mr. F. B.
Bray, Mr. Denys.
Brayne, Mr. A. F. L.
Bridge, Mr. G.
Burdon, Mr. E.
Cabell, Mr. W. H. L.
Chatterjee, Mr. A. C.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Faridoonji, Mr. R.
Gidney, Lieut.-Col. H. A. J.
Ginwala, Mr. P. P.

Haigh, Mr. P. B.
Hailey, the Honourable Sir Malcolm.
Hindley, Mr. C. D. M.
Holme, Mr. H. E.
Hullah, Mr. J.
Ikramullah, Khan, Raja Mohd.
Innes, the Honourable Mr. C. A.
Ley, Mr. A. H.
Lindsay, Mr. Darcy.
Man Singh, Bhai.
Mitter, Mr. K. N.
Moir, Mr. T. E.
Muhammad Hussain, Mr. T.
Muhammad Ismail, Mr. S.
Nand Lal, Dr.
Nayar, Mr. K. M.
Percival, Mr. P. E.
Pyari Lal, Mr.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Mr.
Schamnad, Mr. Mahmood.
Shahab-ud-Din, Chaudhri.
Singh, Mr. S. N.
Sinha, Babu L. P.
Spence, Mr. R. A.
Townsend, Mr. C. A. H.
Webb, Sir Montagu.

The motion was negatived.

Move of the Legislature to the Hills.

Mr. T. V. Seshagiri Ayyar: Sir, now that the Government have carried the day and as it has now been, so far as this House is concerned, established that the Executive Council should go to the Hills, my proposition reduces itself to this, that the Legislature should not move to the Hills.

Sir, something may be said in favour of the proposition that the Government which is largely manned by gentlemen from England who are accustomed to a cold climate should not be asked to remain in a hot place, but there can be no excuse, so far as Indians are concerned, for claiming that they should have the same privileges as are enjoyed by the Executive Government. We are born in this country and most of our lives have been spent in hot places and it seems to be unpardonable that we should claim the right to go to the Hills at the expense of the poor people of this country. Some of us, no doubt, Sir, do like to go to the hill station in order to recoup our health. If this has to be done, we must do it at our own expense and not at the expense of the people of this country. That is a point which I hope my friends will remember in speaking on this proposition and in voting upon this proposition. Sir, when I had an opportunity on the very first occasion some years ago of moving in this House this proposition, I asked the question: Is there any other country in which there are two different Legislatures, one at a place wherein the Legislature sits for six months, and another at a place where the Legislature sits for another six months? I do not think there is any parallel for what we have in this country.

Sir Montagu Webb: Sir, on a point of order, may I ask to which motion the Honourable Member is speaking?

Mr. President: He is moving the second part of Munshi Iswar Saran's motion.

Mr. T. V. Seshagiri Ayyar: Sir, this is without any precedent and without any parallel. I think, Sir, as has been pointed out by my friend, Mr. Rangachariar, the country as a whole wants that we should not follow the bad example which has been set by the Executive Government by moving to the Hills. And I think we must show some sacrifice by refusing to go to the Hills and by consenting to work in the plains and that, Sir, will show to the country that we are really looking to the interests of the people and not looking after our own interests. I do not think, Sir, it is necessary to say much because a great deal has been said already. I move the motion standing in the name of Munshi Iswar Saran, namely:

"That the provision for Hill Journey charges wherever they occur be reduced by one rupee."

The Honourable Sir Malcolm Halley: This is another of those herrings which, if I consulted only the immediate interests of my friend, Sir Basil Blackett, I should like to see trailed across the course of the discussion of the demands for grants—the question whether, if the Government of India goes to the Hills, the Assembly should not do so. May I hope that my friend, Mr. Seshagiri Ayyar, will not again advance the argument which he just used, that it is necessary for the Government of India to go to the Hills because it is so largely the concern of Englishmen. Believe me, I think there are very few Englishmen here who would claim that exceptional privilege purely on that ground. Certainly I should never

[Sir Malcolm Hailey.]

think of doing so. It is quite obvious that there are a large number of Indian Members of this House also who consider that a move to the Hills is in present circumstances advisable. But taking the question whether, even if the Government of India goes to the Hills, the Legislature should not go there, may I point out to Mr. Seshagiri Ayyar that what he has put forward is not a proposition that would lead to the reduction of expenditure but one which would lead at present to some increase. For if the Government of India goes to the Hills and stays there, and the Legislature comes here, then it is clear that the Government of India—or a large part of it—would have to move down here at a considerable expense and the expenditure on the whole would probably be increased over the extra expenditure involved in the Legislature going up to Simla instead of meeting in Delhi.

Mr. T. V. Seshagiri Ayyar: What about the cost of the permanent buildings?

The Honourable Sir Malcolm Hailey: The House on a previous occasion decided against Mr. Seshagiri Ayyar by voting 67 to 21 that the permanent buildings in New Delhi should go forward, and I take it that that, therefore, is a matter which has been settled.

Mr. T. V. Seshagiri Ayyar: I am speaking of the permanent buildings in Simla.

The Honourable Sir Malcolm Hailey: The permanent buildings are already in Simla, and I say it would cost very little more for this House to go to Simla to meet the Government of India, whereas, on the other hand, we should certainly be involved in a great deal of extra expenditure if the Government of India or a large part of it were to come down to meet the Legislature here. For I suppose that the Legislature would hardly like to come here and for the Government of India not even to pay them the compliment of appearing on the Benches. Then again, there would of course be very considerable expenditure in other directions connected with their visit. I would again repeat, that this, for the present moment, is not really a practical proposition. Let us wait until our Legislative Chambers in New Delhi are built. They are being completed, as I have said before, under a deliberate decision of this Assembly. A vote which has been repeated not once but twice, a vote which involved full discussion, much consideration and an expression of very decided opinion on behalf of certain members. Am I wrong, Sir, is my recollection betraying me, that Mr. Rangachariar himself told us in the course of one of our discussions that there was an occasion when in the hot weather he swooned on the platform of the Delhi Railway station? I can only congratulate him, on the fact that he has now found it possible to face with greater equanimity the rigours of our Northern summer and I congratulate my friend Sir Sydney Crookshank on the efforts he has made to make Mr. Rangachariar comfortable in Raisina.

Dr. Nand Lal: Sir, I am afraid most of us are becoming sentimentalists. We ought to show to the world outside the House that we are practical Legislators. In the name of economy arguments have been advanced and those arguments have been based on the ground that our countrymen are living in the hot places and why should we as Legislators go to Simla and enjoy the salubrious climate of that place? If it were not

the question of real economy against the motion according to my way of thinking, I would have shared the view of the author of this amendment. But I am afraid he had not sufficient time to look into the items and to come to the right conclusion as good arithmetician, in order to see whether the arguments, which have been advanced by the Mover in favour of savings, are good and acceptable or not. Let us take the economic phase of the question. Have we got houses built in Simla? And if these Legislators live in Simla will there be additional expense? I think the whole House would have to admit that there will be no additional expense at all. We have got houses here in Delhi at Raisina, similarly we have got houses there at Simla. If we cease to go to Simla, if the exodus to Simla is not accepted, then those houses there will remain vacant. Who will be responsible for the cost of repairs? What answer have you got for that? Do you mean to say that after we have spent lakhs and lakhs of rupees in building those houses, those houses should remain vacant or that we should invite tenants to go and occupy them? Are you really serious? Now, let us take the question of travelling allowance. I think none of us can advance this argument that this Assembly should hold its sittings for 12 months. You shall have to admit that there must be some interval. If this Assembly will sit for three months in the winter at Delhi, there must be a summer session also, because we have to discuss the most important questions which may crop up in that season. If it is admitted that there will be no additional expense in our going to Simla, then naturally there will be no harm if we sit there and discuss these important questions at Simla. Another point which might have troubled my learned friends from Madras is that it is a very cold country. That is the only argument which was advanced a year before and which is for all intents and purposes advanced this time, too. Well, I say that if you are afraid of winter, then Delhi is as cold for you in winter as Simla will be in summer. It does not make any difference. On that score also, I may say, that your argument has not got much force. There is another point which supports my argument in opposition to this amendment, and that is this. The quality of work depends on mentality. I ask the gentlemen who are the authors of this amendment whether they will be able to apply their minds to the important work here at Delhi in summer or there at Simla? Once upon a time I took a note of the amount of work which we had done at Simla in the summer and then I tried to find out the amount of work which we had done here at Delhi and the result which I arrived at was that despatch of work at Simla was much more and better in quality than that in Delhi. Is there any Member of this Assembly to question the correctness of this result? If there is any I shall welcome him. Then, Sir, do you want to perform your duty efficiently and properly or not? If you simply want to say, purely on sentimental grounds, that, "If our countrymen are living in the plains why should we live in Simla?" my answer to it would be "Do not take your motor cars here. Do not drive in them. Do not charge any allowance at all, if you want to make a sacrifice, if you have got real sympathy with the people. There is no sympathy at all if you say, "We do not want to go to Simla, we shall sit here and charge the allowance all the same." There is no practical sympathy in it. Here, my learned friend Mr. Jamnadas Dwarkadas changed his clothes the other day. I asked him, "Hullo! summer has arrived?" He says "I cannot stand the heat". My learned friend has summer clothes just now on and that is a testimony which I can rely on. If this Legislature will not have the exodus to Simla, I am afraid the House will be very thin. Some of you fall sick and your doctor's bill will be

[Dr. Nand Lal.]

very heavy. I wish you may have an experience of stopping here in summer in Delhi; then you will come to know. I am sure that none of you will then have the courage nor desire to move any motion or any amendment in regard to this matter. Then, Sir, to discuss the question of so-called touch or contact, I may say, it does not make any difference. You will remain in contact with your country at Simla. You will be in contact with your people at Simla.

Rao Bahadur T. Rangachariar: Who are they?

Dr. Nand Lal: There are the newspapers. Do you mean to say that the Post Office will be stopped if you go to Simla? There will be no such thing at all. At Simla you will have the same channels of information which you could have in Delhi. There is therefore no force in this argument that we shall not be in close touch with the people if we are there. We shall be able to read from the newspapers what the conditions of the country are and what the views of the people are. That we do always. Does any of you go personally to your constituents individually to inquire how they feel and what their opinion is? Do they come to you at Delhi? You collect your information, you gather your information from the papers. Sometimes you receive letters. Therefore, this argument that we shall be far away from our countrymen has got no force. Allow me to point out that Simla is within your country. Simla is not separate from your country. Those who are living in Madras or Bombay may now be very well-informed that Simla is within British India and it is a part of our country. It is as good

5 P.M.

a part as our Delhi. Now, the argument has been advanced that this Provincial Council and that Provincial Council decided in this way, and in that way. I may inform my learned friends, who pose to be well-informed,—and I am afraid they have betrayed their ignorance of what is going on in the country—that the Punjab Provincial Council some time back has passed a resolution in favour of the exodus to Simla, and here my Honourable friend on the right has very rightly informed me that a great majority of that House decided in favour of going to Simla and I am told that one of the reasons, which were assigned there, was that we would be able to put forward intelligent work at Simla. Bombay and Madras members have got little justification to be in support of this amendment. (*A Voice*: “Bombay is not.”) They did not take part in the debate but so far as the voting goes they, if my information is correct, sided with the other side. They are near the sea coast, as you know. They have, in summer, certainly a better breeze, which we may call technically sea breeze. They do not want any sort of change and they think that if the Council will sit here at Delhi it will not make any difference to them. Instead of attending this Assembly regularly and punctually and its full session they, in any case some of them, may not come here, for some days when it is very hot in Delhi and very nice at their sea coast. The correctness of my view on the point will be verified, if once, at least, as an experiment, this Assembly sits here in Delhi in the summer. I think the result of that will go to corroborate my argument which I am placing now before the House. I do not wish to make it a question of sentiment. We should try and assist this House by our views which can stand the test of practicability. On these grounds, Sir, I oppose this amendment which I am sure will be thrown out as its predecessor was thrown out.

Colonel Sir Sydney Crookshank (Public Works Department Secretary): Sir, as Honourable Members appear to be looking forward with great keenness to the day when they will be able to sit in Delhi in Session year in and year out, if I have the permission of the Chair to digress for a moment I will inform them how soon their expectations in this direction will be fulfilled. In 1924 electric light and power, irrigation, sanitation, miscellaneous, and railway diversion works in connection with the construction of the New Capital will be completed; the year 1925 will see the completion of the Secretariats and other buildings, that is to say, residential and such like buildings, the communications, and miscellaneous public improvements; lastly towards the end of 1926 Government House and the Legislative Chambers will, it is hoped, be complete and ready for occupation.

Mr. Jamnadas Dwarkadas: I rise to give my support to the amendment moved by my Honourable friend Mr. Seshagiri Ayyar and I want the House to consider the question on its own merits. I do not want the House to be led astray by the remarks that have been made by my Honourable friend, Dr. Nand Lal, that it is only from a sentimental point of view that we from Bombay and Madras look upon the exodus to Simla as in itself undesirable. Now, the Honourable Sir Malcolm Hailey replying to the arguments of Mr. Seshagiri Ayyar said that so far as the question of expenditure was concerned it would not only make no reduction in expenditure but that it would increase by reason of the Legislature not going up to Simla and the Government of India having to move to and fro from Simla to Delhi. We have lost the first amendment moved by my Honourable friend, Munshi Iswar Saran. What remains now for us to do is to pass this amendment so that we can compel indirectly the hands of the Government of India to suspend their intention of going to Simla. I know that if the Legislature is prepared to undergo this self-sacrifice of not going to Simla and is prepared to sit and legislate in Delhi the Government of India cannot with any sense of reason afford to go and spend their days in Simla. I want the House also to take another thing into consideration. It is not merely, after all when you come to look at it—not merely the financial aspect of the question that ought to weigh with this Legislature. I for one have absolutely no doubt that it would pay, that it would be a financially lesser burden on the country if we decide to remain for all time in Delhi, but there is another aspect of the question. I want every Honourable Member of this House to put this question seriously to himself. Is it possible for us for all time altogether to legislate for the country sitting in Simla? Are we really in touch with public opinion when we are far away in the clouds of the Himalayas? Are we really in a mood to legislate in the proper way for the country sitting in that far distant places where we have to take a few days before we acclimatize ourselves to the weather and secondly the weather conditions are such that they are not suitable to the exigencies of the modern way of living? I want the House also to consider the question from this point of view. At present we sit in the year about 2½ months here and about a month or less than a month in Simla. This is not going to be the case for all time to come. I was informed that the Parliament in England has to sit for 9 or 10 months in the year. I look forward to a time and I hope that time will come very soon, when people will take seriously to the service of the country and we shall have to sit not merely 2½ months here and one month in Simla, but for 9 or 10 months continually. (*Cries of: "No, no."*) There can be no royal road to the service of a vast country like India and if there are

[Mr. Jamnadas Dwarkadas.]

people who will come out to serve the country by entering Legislatures they must put aside ideas of comfort. The most predominant idea should be to serve the country best at the least cost to the country and at the maximum sacrifice of everyone who is called upon to render service to the country. If you have that conception of service and if you place side by side with that conception the idea of having a comfortable time in Simla and legislating sitting in that Chamber,—they are more to suit the convenience of the powers that be rather than to suit the convenience of the country—well, I can only say this that there are other people besides ourselves in this country who whatever may be our differences with them are prepared to bear the exigencies of the climate and all the sacrifices that they may have to undergo for the purpose of rendering the best service to the country. I wonder if the House decides in favour of going and legislating in Simla whether it is really carrying out the wishes of the country in this matter. As has been pointed out, it is for years now that this cry against the exodus to Simla has been raised. The powers that be are out of touch with public opinion. Look at what is happening in India for the last three years. Perhaps that argument had less force in it a number of years ago than it has to-day. Before 1912 and 1913 perhaps public opinion had not been so developed in this country. Perhaps political consciousness had not reached the stage which it has reached to-day. Is it safe, I ask the Members of this House, and the powers that be in the interests of this country that while eventful things are happening every day in this country, when the political consciousness is so raised that you have got to be in touch with everything that is going on in all parts of the country that you should go and legislate at a place which seems to me the most distant place for being informed of what is happening in the country. We have to take a very serious view of our duties. I am afraid I must inform the House that in dealing with this question you cannot afford to take a light view. You cannot afford to treat the question from the point of view of your comfort or from the point of view of your convenience. What does your convenience matter compared with the convenience and comfort of the country, compared to the duties which you are taking upon yourself for doing your best to serve the country. I say it to the Government that it is no longer safe that they should remain away from touch with the public opinion of the country for such a long time as seven or eight months. I know myself when we discussed this question in 1921 we were told "Oh, you are all new. You wait here and spend a year or two and then you will find the advantages of Simla". Well, Sir, we have had sufficient time at our disposal to compare the respective merits of legislating in Simla and of legislating in Delhi. As regards the argument that my Honourable friend has advanced that in Simla we have done the work with more despatch, the record of the Legislative Assembly will speak for itself. I do hold in spite of what my Honourable friend has said that we have done far more important work in Delhi than we have done in Simla. That is an argument that does not arise. If my Honourable friend will not understand it, I cannot help it. I said that that argument is outside the question. The question is this. As a body representing public opinion in this country, entrusted to serve this country by means of our Membership of the Legislative Assembly, we cannot afford to be out of touch with public opinion. We cannot afford to allow the powers that be to go right away from public opinion. We must bring them into the centre of things. We must see that we locate ourselves in the centre of things, so that we may

know what is going on outside the country and what is going on outside may affect our doings, as it is intended that it should affect in the Legislature. You cannot treat this question lightly. I think the effect of your going to Simla will be, I may be pardoned for saying so, that you take a very light view of our duties towards those who have sent us to legislate for them. Both from the financial point of view and also from the patriotic point of view of doing our duty to the country, it seems to me that we are approaching the time when we shall have to work far more and for a longer number of months than we are doing now. I believe it is necessary that we should consider the question from the proper standpoint and decide to remain in Delhi at whatever cost we may have to do it. I heartily support the motion and I hope Honourable Members will voice the public opinion of the country held for a long number of years if they support this motion. Only one more point. In 1920 we were told that the point was raised by the Imperial Council. If I remember rightly, one of the Members of the Government, my Honourable friend Mr. Sarma was a strong advocate, if I am not mistaken, of the policy of remaining in Delhi and not going to Simla. I do not know whether it was in 1920 that my Honourable friend held that view.

The Honourable Mr. B. N. Sarma (Revenue and Agriculture Member): I never expressed that view.

Mr. Jamnadas Dwarkadas: If I am not mistaken in 1921 when he was a Member of the Government he took a different view. I do not also know this, and my Honourable friend Mr. Rangachariar referred to it in the course of the discussion in 1921, that my Honourable friend, Mr. Sarma, took the other view at one time.

The Honourable Mr. B. N. Sarma: Mr. Rangachariar was mistaken. I never expressed an opinion on the question of the exodus to Simla.

Mr. N. M. Joshi: How did you vote?

The Honourable Mr. B. N. Sarma: I may inform Honourable Members that I was absent from Delhi when the Honourable Mr. Srinivasa Sastri raised the question. So there was no question of voting.

Mr. Jamnadas Dwarkadas: That gives me one more argument to strengthen my case. I wonder how I forgot all about that argument. The Right Honourable Srinivasa Sastri can be said to have more experience than any one of us of the sitting both here in Delhi and in Simla. The Right Honourable gentleman has certainly a better idea of his duties to the country than many people have and I believe that his opinion at any rate ought to count but . . .

The Honourable Sir Malcolm Halley: I was present in connection with that debate. The Honourable Mr. Srinivasa Sastri complained greatly of Delhi and said that it was impossible to open your mouth without getting a fly down into it. I wish merely to mention that point.

Mr. Jamnadas Dwarkadas: I hope my Honourable friend will not try to win me away from my support of Delhi. I believe the Right Honourable Srinivasa Sastri complained of Delhi, because it was probably in his mind

[Mr. Jamnadas Dwarkadas.]

to suggest some better capital like Poona instead of Delhi. About that I do not know. I can only say this. It has been decided that Delhi shall be your capital. I do not want to lure you away to Bombay or Poona, although these places have great advantages. What is a settled fact must remain a settled fact. What matters is this. Even if there is a place worse than Delhi, I say that if we have a serious regard for our duties then we ought to make up our minds to stick to one place in order that we may do our duties better. I support the amendment.

Dr. H. S. Gour: I should like to say a few words before this question is put to the vote. Honourable Members will remember that the motion of the Honourable Mr. Seshagiri Ayyar is a very short one and one need not hark back to the general question of the exodus to the hills. We are concerned now with a very short and limited motion that the Legislature should not meet in Simla. Now, if Honourable Members will advert to that short question what will they find? During the last two years the Session of the Legislature in Simla was in the month of September and if the precedents of the last two years is followed, another session of the Legislature this year would be either in September or in its neighbourhood. Now, Sir, I ask the Members of this House this single question. If we vetoed our exodus to Simla what would be the result? It is perfectly obvious that the work that can be done in September can be done equally well in October. Consequently, if this House records its deliberate vote in favour of the amendment, it will hasten the pace of the Government of India who will come down to Delhi in the month of October and meet the Legislature which will hold its session here. The question therefore is this. What will be the expense and what will be the nature of the climate of Delhi in the month of October? The Honourable the Home Member cannot deny the fact that Delhi in October is as pleasant as it is in the cold weather. After the rains the climate of Delhi is not only tolerable but pleasant. Surely, Sir, this is the short question that you have to decide for yourself. We need not go into the general question as to whether the exodus of the Government of India to Simla is justified or not. That question has been settled by you by your vote. And remember that, if the division list is analysed, you will find that the bulk of the non-official vote is solidly in favour of non-exodus. No doubt some of the Members, official and non-official, introduced personal considerations into the question; and so they defeated the vote of this House, but their votes do not count for the moment on this important question. I suggest, therefore, that the short question you have to deal with is shall you or shall you not meet in Delhi in October (*A Voice* : "No") and will it entail any additional cost to the Government of India? That raises the question which the Honourable the Home Member has raised. He said if there is a session of the Indian Legislature in Delhi the Government of India will have to move down to Delhi and thus it will entail additional cost. I think, Sir, I have already answered that question by implication. If the Government of India, instead of moving down to Delhi towards the end of October as they generally do, move down to this place towards the commencement of October, it will shorten their stay in Simla and thus partially carry out the wishes of the non-official Members of this House by curtailing their exodus to Simla and at the same time entail no additional cost by reason of the holding of the session here.

One more point, Sir, and I have done. It has been said that, so far as Simla is concerned, the climate is good and salubrious while the buildings in Delhi are not yet complete. But I say to Honourable Members that we are not here concerned with the remote future. The vote of this House will be for this year or for next year. What is the position of this Assembly? Supposing it meets here next October or, for the matter of that, after the outbreak of the rains, say in the month of July or August. I can vouch for the salubrity of the climate of Delhi in the month of July or August. (A Voice: "Would you come here then?") I lived here, Sir, a part of the hot weather last year and, though I must confess that the climate of Delhi is trying in the months of May and June, it was certainly not unpleasant after the rains burst, and I am quite sure that, if the session of the Legislature is timed to be held here after the rains burst, the additional expenditure which the Honourable Member suggests will not be incurred, provided the session is timed to be held in October. The condition this year is somewhat exceptional. This is the last session of the Assembly and it may be that Members would be anxious to spend October and November amongst their constituents; but I am not speaking of this year. I am speaking generally, not only of this year but of the next year, because the vote of the House will indicate the direction in which the Members of this House desire the Members of the Government to shape their action. I therefore hold, Sir, that, without committing themselves to the larger question involved, this House should by its solid vote support the amendment in favour of holding the autumn session of the Indian Legislature in Delhi and not in Simla.

The Honourable Sir Malcolm Hailey: Much of the time of the Government Members on this Bench seems to be taken up in trying to lead the House back to the point after Dr. Goar has elaborately led it forth into by-ways of his own. The one question before the House is the Budget for the present year and the one question which has been put by Mr. Seshagiri Ayyar is this, whether that Budget shall be reduced during the present year in order that the Assembly and the Council of State may sit in Delhi during the present summer instead of going to Simla. That can be the only question before the House and none other. This is the Budget of the present year and we are discussing the present year only. (A Voice: "That is not so.") Are you discussing the Budget of the next year? (Mr. T. V. Seshagiri Ayyar: "We are discussing the principle.") We are discussing the Budget of the present year.

Mr. T. V. Seshagiri Ayyar: The Honourable the Leader of the House knows it is the principle we are discussing.

Dr. H. S. Gour: He knows what we are discussing; he is dissembling.

The Honourable Sir Malcolm Hailey: We are discussing here a question connected with our financial arrangements for the present year. It is not a general Resolution on the subject of the move to Simla, though from some of the digressions one might think it was; it is a discussion on the Budget; and any questions of principle which we discuss ought to have some relation to the Budget. The question involved in this vote is a simple one, namely, are you going to sit in Simla or in Delhi next July, and in my opinion there is really no other question before the House.

Mr. President: The question is, that the provision for Hill journey charges wherever they occur be reduced by one rupee.

The motion was negatived.

THE HINDU LAW OF INHERITANCE (AMENDMENT) BILL.

Mr. T. V. Seshagiri Ayyar: Sir, I present the Report of the Select Committee on the Bill to amend the Hindu Law of Inheritance in certain particulars.

THE SPECIAL MARRIAGE BILL.

Dr. H. S. Gour: I also beg to present the Report of the Select Committee on the Bill to amend Act III of 1872.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 15th March, 1928.

LEGISLATIVE ASSEMBLY.

Thursday, 15th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

COST OF INQUIRY INTO ACCOUNTS IN CERTAIN DEPARTMENTS OF GOVERNMENT OF INDIA.

562. ***Mr. K. C. Neogy:** 1. With reference to the inquiry into the system of accounts in certain departments of the Government of India, by Messrs. Price Waterhouse and Company, of England, will Government be pleased to state the total cost entailed thereby?

(i) in the shape of remuneration, allowances and other expenses, etc., paid to the said firm and its representatives; and

(ii) in salaries and allowances, etc., paid to officers of the Government of India who may have been placed on duty in connection with the said inquiry at any stage?

2. (a) To what extent have the recommendations made by the said firm been accepted in the departments concerned, and in what respects has the system of accounts in the said departments been altered as a result of these recommendations?

(b) Is any economy likely to result from the adoption of the said recommendations; if so, to what extent approximately?

The Honourable Sir Basil Blackett: The information required by the Honourable Member is being collected and will be furnished to him as soon as possible.

Mr. Darcy Lindsay: Will the information contained in the Report be published or made available for Members of the Assembly?

The Honourable Sir Basil Blackett: If Members of the Assembly desire it, it can no doubt be published.

Mr. R. A. Spence: May I ask that the information be published? I think it would be most interesting.

The Honourable Sir Basil Blackett: Possibly it would be better before answering that question to wait and see what the information is.

TROOPS UNDER DIFFERENT COMMANDS.

563. ***Mr. Harchandrai Vishindas:** Will Government be pleased to state:

(a) Whether the troops under the order of the Commander-in-Chief, Western Command, consist as follows:

(i) of the Baluchistan District,

(ii) of the Sind Rajputana District?

- (b) Whether the Sind Rajputana District consists merely of Nasirabad Brigade, the troops at Karachi and Hyderabad Sind, and small detachments at other cantonments which were formerly under the Mhow Division or the Bombay Brigade?
- (c) Whether approximately three quarters of the area under the Military charge of the Western Command is desert and very sparsely inhabited?
- (d) Whether the only portion of the North-West Frontier under the charge of Western Command is that extending from south, near Wana, to near Duzdap, in addition to the remainder of the frontiers of Sind-Baluchistan?
- (e) Whether under the circumstances, Western Command may not well be abolished?

Mr. E. Burdon: (a) Yes; and also Waziristan, which though temporarily under the direct control of Army Headquarters, forms part of the Western Command. I may add that the Baluchistan District includes a very considerable tract in the Zhob area.

(b) The Sind-Rajputana district comprises—

- (1) The defended port of Karachi;
- (2) The troops at Karachi;
- (3) The troops at Hyderabad (Sind); and
- (4) The Nasirabad Brigade area with headquarters, two battalions, and one battery at Nasirabad, and detachments at Ahmedabad, Ajmere, Baroda and Deesa.

(c) A large portion of the area controlled by the Western Command is desert and sparsely inhabited.

(d) The frontier line at present controlled by the Western Command extends from Wana along the Afghan frontier to Chaman, thence to Duzdap, thence southwards to the Persian Gulf, a distance in all of approximately 1,100 miles, or about two-thirds of the total extent of the North-West Frontier of India.

(e) There is no intention at present of abolishing the Western Command.

Mr. W. M. Hussanally: May I know, Sir, what is the number of troops stationed at Karachi and Hyderabad, (Sind)?

Mr. E. Burdon: I could not give you the exact figure offhand.

MR. LALKAKA OF THE KARACHI CUSTOM HOUSE.

564. ***Mr. Harchandrai Vishindas:** (a) Will Government be pleased to state if Mr. Lalkaka, an Assistant Collector, in the Karachi Custom House, is proceeding on leave shortly?

(b) If so, will Government be pleased to state if they will appoint as his successor an Indian or an Anglo-Indian?

The Honourable Mr. C. A. Innes: (a) and (b) Mr. Lalkaka has applied for leave, but his leave has not yet been sanctioned. Government are not in a position to say what arrangements will be made if the leave is granted.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, a Message has been received from the Secretary of the Council of State, intimating that, in accordance with Rule 36 (3), of the Indian Legislative Rules, the amendments made by the Legislative Assembly in the Bill further to amend the Code of Criminal Procedure, 1898, and the Court-fees Act, 1870, were taken into consideration by the Council of State at its meeting on the 13th March, 1923, that the Council of State has made certain further amendments to the amendments made by the Legislative Assembly, and that the Council of State has agreed to the remaining amendments made by the Legislative Assembly. A copy of the Bill, as further amended, has been sent along with the Message.

THE BUDGET—LIST OF DEMANDS.

SECOND STAGE—*contd.*

DEMAND No. 14—GENERAL ADMINISTRATION—*contd.*

Mr. President: The Assembly will now resume consideration of Demand No. 14; the question put from the Chair having been:

"That a sum not exceeding Rs. 74,00,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'General Administration'."

Private Secretary to His Excellency the Viceroy—Postage and Telegram charges.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadian Urban): Sir, I beg to move:

"That the provision for Postage and Telegram charges under the sub-head 'Private Secretary to His Excellency the Viceroy' be reduced by Rs. 25,000."

Honourable Members will see this entry at page 37 of the Demand. Last year we voted Rs. 80,000 for this purpose and from the revised statement furnished to us, Honourable Members will find that this vote was exceeded by a sum of Rs. 40,000 and the reason given before the Finance Committee was this—at page 40 of the proceedings of the Standing Finance Committee, dated the 29th January, etc:

"Supplementary grant of Rs. 40,000 required to meet the excess expenditure incurred under the head of Postage and Telegram charges over the budget estimate for the Private Secretary to His Excellency the Viceroy."

The Committee agreed to the demand being put forward but viewed with anxiety the large increase in expenditure, which was understood to be mainly due to Telegraph charges. The Committee wanted to know if certain economies could not be effected in respect of Express Inland Telegrams by giving priority to ordinary Government telegrams over other telegrams at ordinary rates, and whether foreign cables could not more frequently be sent at Deferred rates; and there were some reasons given for this. Honourable Members will see that in that most eventful year, 1919-20, when Lord Chelmsford was Viceroy, the expenditure on Postage and Telegrams was only Rs. 95,604, and the next year, 1920-21, which was also an eventful year in the country, the expenditure was only Rs. 1,06,444. But in the year 1921-22, after His Excellency Lord Reading assumed charge, the Postage and Telegram charges rose to Rs. 1,87,961, and last year, as I have already said, we voted Rs. 80,000 and they came forward with a demand for a further demand of Rs. 40,000, so that the

[**Rao Bahadur T. Rangachariar.**]

revised estimate stands at Rs. 1,20,000. Sir, this matter was investigated by the Incheape Committee and Honourable Members will find references to it on pages 128 and 141. I may mention that telegraph charges and postal charges are incurred under the head "General Administration" in various Departments and directly under the control of His Excellency the Viceroy there is the Foreign and Political Department which incurs a very large sum under this head annually. That is, this sum incurred in the Private Secretary's office is in addition to this large sum spent in the Foreign and Political Department. On page 128 of the Incheape Committee's Report, paragraph 10, it is said:

"The cost of the telegrams despatched by the departments during 1921-22 was approximately Rs. 3,33,000, the heaviest expenditure being incurred by the Foreign and Political Department (Rs. 1,35,000)."

The Army Department comes next and next comes the Home Department.

"We are of the opinion that a large curtailment in the number and length of telegrams could be effected without any loss of efficiency."

Turning to the other side, Sir, from which the wire is pulled—I mean London—on page 141, paragraph 45, it is said:

"There has been a large increase in expenditure on telegrams, contingencies and miscellaneous items."

If Honourable Members will just pause and think over the figure of Rs. 1,00,000 and Rs. 1,80,000 spent on telegrams, it comes to Rs. 300 and odd per diem and nearly Rs. 10,000 per mensem—More than a Governor's pay is sometimes spent in one Department alone on this part of the administration. Sir, we have been told that we are ruled from Whitehall. Yesterday we tried to avoid the reproach that we are ruled from the heights of Simla. But I think it is a truth to say that now-a-days the wire is being pulled too often from Whitehall and that perhaps accounts for the large expenditure incurred in telegrams, and I am afraid that His Excellency's Government is not allowed that free and full play which they ought to have in the exercise of their responsible duties in this country. That accounts perhaps for the high amounts incurred in these various matters. I do think, Sir, in all conscience, that now-a-days the mails are so rapidly taken from place to place—London is only within about 13 or 14 days' reach,—probably from Delhi it may be about 16 days' reach,—and that being so why this large expenditure should be incurred in telegraph charges is rather difficult to see. We have not increased the cost of telegrams after we came into power here. Any increase there was in the year 1920 before this new Legislature came into existence and therefore that does not account for this increased cost and increased number of telegrams. Mr. Jamnadas Dwarkadas referred us the other day to a passage in the Acworth Committee's Report where they make a reference to the extraordinary control from London over the question—I think it was—of some purchase.

Mr. Jamnadas Dwarkadas: (Bombay City: Non-Muhammadan Urban): Foremen's salary and promotion.

Rao Bahadur T. Rangachariar: Over the question whether certain foremen should get promotion or not. If in such matters public money is to be spent in this extravagant scale, I think, Sir, the Assembly ought to record its opinion in a matter like that. The Foreign and Political

Department and the Private Secretary's Office being under the control of His Excellency the Viceroy we have to help the Finance Department in this matter. They are rather in a delicate and awkward situation. They cannot exercise that wholesome check which they do exercise over other Departments. Their position is somewhat delicate and awkward, and therefore the Legislature has to come to the aid of the Finance Department in a matter like this, and I think, Sir, it is but proper that we should cut down the vote under this head. I propose that Rs. 75,000 be allowed under this head. That is a very large sum having regard to the fact that it is only for the Private Secretary's Office. Honourable Members will also notice if they turn down the page that there is a sum of Rs. 5,000 and odd which is to be spent by the Military Secretary in telegrams and postal charges, and if Honourable Members will turn over a page or two, they will find the Foreign and Political Department spending nearly Rs. 2,00,000 in postages, telegrams and contingencies, so that it is a very large sum which we are voting really and I do not think we are doing any injustice in this matter by urging this motion. I think we should impress upon those people who are responsible for this expenditure that we, as an Assembly, do insist upon economy in these matters because people are apt to be negligent. It is these small amounts which go to pile up the large amount which the country has to pay and now-a-days I think every pie saved will be to our credit. I do press this motion for the acceptance of the House.

The Honourable Sir Malcolm Hailey (Home Member): I had better explain exactly to the House what these postage and telegram charges are. We are of course considering not postal and telegraph charges connected with the Government of India as a whole but those which are despatched from the Private Secretary's Office. Now, these are of three classes. In the first place there are, of course, a number of telegrams despatched between His Excellency the Viceroy and the various heads of Provinces and the like in India. Those are included under this head. Work now-a-days proceeds—though perhaps it is not always admitted I know myself to be right in claiming this—much more rapidly than in the old days. A far greater variety of questions come up. Political situations arise very rapidly and they have to be dealt with with equal rapidity. That is the first class. The second class of telegrams provided for are those between the Viceroy and the Secretary of State. No one would hold that it is advisable that His Excellency the Viceroy should be debarred from constant communication and in the most rapid fashion with the Home Government. There are continually now-a-days questions of Imperial importance—take only such questions as those of Kenya—in which His Excellency's constant intervention is required or such questions, again, as the Turkish peace settlement. Communication on such topics cannot, owing to the rapidity with which events move, be conducted by letter. Everybody must in short agree that it is to the advantage of the State that His Excellency the Viceroy should remain in the closest touch with the Cabinet at Home.

Mr. Rangachariar has suggested that this all tends to regulation from Whitehall. I hope the House will not allow itself to be swayed by a suggestion of this nature. If Whitehall was going to regulate us, they could do so just as easily by letter, and indeed, on the whole, the constant facility of correspondence and of communication between the Home Government and His Excellency the Viceroy is one great means of preventing any such regulation. The Viceroy by means of telegrams can place himself almost in close touch with the Cabinet which is necessary to explain our views and

[Sir Malcolm Hailey.]

position. The third class which contributes very largely to this expenditure is cipher telegrams sent from the Government of India. When our Departments have to send telegrams in cipher and on many occasions they have to do so—they pass through the Private Secretary's Office. That is as a measure of convenience because we can concentrate in one place the coding and de-coding arrangements. As to the cost that has been incurred in the past, Mr. Rangachariar had the figures correctly. In 1920-21 the cost was Rs. 1,06,000. In 1921-22 I admit there was a burst of expenditure (Rs. 1,87,000) but we are proposing in this year only Rs. 1,00,000. Therefore as between 1921-22 and the coming year we shall already be spending less by Rs. 87,000, and as between 1920-21 and the coming year we should be spending less by Rs. 6,000. I am only putting the case on those grounds and I suggest to the House that it is not well to attempt to curtail a communication of this nature between His Excellency the Viceroy and the Home Government.

Mr. Jamnadas Dwarkadas: I hope the House will try to look at the question from the point of view of the interests of India in this matter. The Honourable Sir Malcolm Hailey has tried to answer my Honourable friend, Mr. Rangachariar's arguments by saying that on important questions like those of Kenya and the Turkish question the Viceroy has to communicate with the Home Government by means of telegrams. Now, Sir, I believe that the Honourable the Home Member could not have chosen worse instances to strengthen his argument in support of telegrams, for if there are two questions on which a considerable delay and an unjustifiable delay has caused a good deal of inconvenience to this country they are those questions of Kenya and the Turkish question. (*The Honourable Sir Malcolm Hailey:* "Our delay?"). Ever since the beginning of this Session—and I think I myself was instrumental in putting a question or two on this subject—every day we inquired whether any cable had been received and the answer was in the negative. (*The Honourable Sir Malcolm Hailey:* "You are referring to despatches.") On Imperial questions which seemed to be a strong point in the argument of my Honourable friend, Sir Malcolm Hailey, on Imperial questions on which this country no doubt feels very keenly, delay cannot be avoided by the increase in the expenditure on telegrams. Personally I feel that if we had the figures before us, if we had details of telegrams exchanged on Imperial questions and the telegrams on questions in which this House would consider the constant interference of the Secretary of State a most undesirable thing—if we had details of those we would have no difficulty in finding out that the cost of telegrams which come under the latter category is much heavier than the cost of the telegrams exchanged on Imperial questions on which Whitehall does not help us much in solving our problems. I was also anxious to know from the Honourable the Home Member whether the cost of the telegrams exchanged between the Provincial Governors and the Secretary of State was included in this and so far as my recollection goes (*The Honourable Sir Malcolm Hailey:* "It does not include it.") Then the case is still worse. This does not include the cost of the telegrams which are exchanged between the Provincial Governors and the Secretary of State. Perhaps I do not know whether this is the right time to protest against this practice but look at what this means. The Viceroy has a certain policy. The Provincial Governors have their own views. They communicate direct with the Secretary of State and the Secretary of State in the light of the telegrams received from the Provincial Governors sends his instructions to

the Viceroy. The Viceroy answers and the whole business of sending telegrams from here to Whitehall and from the provinces to Whitehall and back from Whitehall to provinces and back from Whitehall to the Viceroy—the whole business is multiplied. It is high time that we did put a stop to this in the interests of the country itself because the sanctioning of these telegram charges means countenancing and encouraging the continuous interference of the Secretary of State with the carrying on of the Government of India. I strongly support the amendment moved by Mr. Rangachariar.

Mr. N. M. Joshi (Nominated: Labour Interests): I only wish to add a few remarks to those that have already been made. Mr. Rangachariar has seen some danger in giving a large amount to His Excellency the Viceroy for his cablegrams, posts and such like communications. But, Sir, I see another constitutional danger in giving large amounts of money to His Excellency the Viceroy. If His Excellency the Viceroy can very easily be in communication with the Secretary of State, to that extent he will begin to depend for advice and guidance upon the Secretary of State more and more than upon his Executive Councillors and the Legislatures. That is, Sir, the greatest danger from my point of view. His Excellency the Viceroy is, after all, a constitutional ruler and we want him to be guided by the Members of His Executive Council and by the Legislatures in India.

Mr. President: The Honourable Member cannot go deep into constitutional questions. Telegrams are, after all, only a means of communication.

Mr. N. M. Joshi: I do not wish to go deep into the matter. I only wanted to point out the danger of placing a very large sum at the disposal of His Excellency the Viceroy for telegrams.

Sir Montagu Webb (Bombay: European): The Honourable the Home Member stated, I think, that a large portion of this expenditure went in the despatch of code telegrams on behalf of the Foreign Office and other Departments. Would it not be better, as a matter of accounting, if, where telegrams are sent on behalf of the various Departments, the charges were debited to those Departments so as not to swell artificially the debit to the Private Secretary to His Excellency the Viceroy?

The Honourable Sir Malcolm Hailey: I will examine that point and see whether it would be convenient to adjust the account. As I say, the convenience of the present arrangement is that the coding and decoding staff is kept in one place and we utilise it. I do not want in any way to extend this discussion, for as you, Sir, have said yourself, we seem to be dipping rather deep into constitutional matters on a question of despatch of telegrams. But I must point out to the House that two very opposite views have been put forward to-day, one by Mr. Jamnadas Dwarkadas and by Mr. Rangachariar that the facility of sending telegrams helps the Secretary of State to overrule us; indeed there is a suggestion that the greater part of the telegrams that we despatch from here is by way of protest to the Secretary of State. On the other hand, Mr. Joshi's point of view is that the facility of sending telegrams, the fact that His Excellency the Viceroy knows that there is Rs. 25,000 more or less in the Private Secretary's budget for the purpose, may induce His Excellency to enter into

[Sir Malcolm Hailey.]

an unholy alliance with the Secretary of State against the Members of the Executive Council. Take it one way or the other; but do not combine arguments so opposite as this in swaying your decision on this point.

Mr. President: The question is:

"That the provision for Postage and Telegram charges under the sub-head 'Private Secretary to His Excellency the Viceroy' be reduced by Rs. 25,000."

The motion was negatived.

Staff and Household of the Governor General—Tour expenses.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): Sir, I beg to move:

"That the provision for Tour expenses under sub-head 'Staff and Household of the Governor General' be reduced by Rs. 20,000."

We find in last year's budget the sum asked for was Rs. 3,65,000. We find that in the revised estimate the sum actually demanded was 4,32,700. Now we have been asked Rs. 4,26,900. We do not know whether when a supplementary budget comes like last year we shall be asked to vote for another Rs. 70,000. However assuming this figure to be correct I submit that the tour expenses form a very large amount. I do not mean to repeat my remarks of last year. I do not mean to say that His Excellency should not take special trains whenever His Excellency thinks this desirable. What I submit to the House is this. What object is gained by these tours of His Excellency. We know in olden times our rulers, the Rajas and Maharajas, used to go in disguise and find out what really the complaint and the grievances of the people were.

The Honourable Sir Malcolm Hailey: How do you know that the Viceroy does not?

Mr. B. N. Misra: If that be the object even 40 lakhs may be spent to remedy the grievances of the people. We find that His Excellency's tours are either public or private. If it is a private tour, we find it in the papers that His Excellency will arrive on such and such a date at such and such a place and so on. Whether it is public or private, so far as the general public is concerned, they know very well where His Excellency is. Then, Sir, wherever His Excellency goes, we find that interviews are allowed. They are all practically arranged through application to the Private Secretary or whenever he happens to be in a mofussil through the District Magistrate and so on. And who are the persons that are allowed to interview His Excellency? If you will see the list of the interviewers you will find that they are Rai Bahadurs, Rai Sahibs, Khan Sahibs, Khan Bahadurs and so on.

The Honourable Sir Malcolm Hailey: You might include Mr. Gandhi.

Mr. B. N. Misra: So far as I read the papers, Mahatma Gandhi came to see His Excellency. These men are generally either semi-Government men or demi-officials. I mean Rai Bahadurs and Khan Bahadurs or the officials. Further I do not know if my Honourable friends have read or come to know of any instances in which His Excellency paid any visit in disguise and learnt from the common people their complaints against his administration or the oppressions of his subordinate officers at any place. I speak subject to correction. But as far as I know the papers say that His Excellency attended a ball, or a dance or gave a party or held a Durbar.

This is all that we find from paper and programmes published in Gazettes, etc. We see after the transfer of the capital to Delhi His Excellency has been invariably going to Calcutta and some other places every Christmas. Of course no other place can provide amusements and other things which Calcutta provides. If really the object is to find out how the people are living and how the administration is going on, His Excellency ought to divert his attention to other directions and I see no reason why he should always go to Calcutta or Burma and not to other parts of the country. We find also that when complaints are made to His Excellency personally, these complaints are sent to be dealt with by the departments and as a matter of practice that is systematically followed. These are forwarded to the local Governments who forward it to the Commissioners who forward it to the Collectors and District Magistrates who forward it to the sub-inspector of police and who again makes inquiries from the village chaukidar or dafadar and the complaints are again submitted to the District Magistrate, the Commissioner, the local Government and so on.

Mr. President: The Honourable Member cannot embark on a discussion on the entire administration on a vote for tour expenses.

Mr. B. N. Misra: My object is to show that the grievances of the people are not taken into consideration by His Excellency in his tour programmes. Many of these tours are made to the States, from which the British tax payers do not really derive any benefit. Most of these tours and tour expenses consist in visiting big States

(Cries of "Withdraw.")

Well, I do not mind withdrawing, if you think it is such a small matter. You propose to impose an additional tax on salt on the poor people and spend lakhs here. If that be the object, then I withdraw.

Mr. P. P. Ginwala (Burma: Non-European): Sir, before the motion is withdrawn

Mr. President: The motion cannot be withdrawn without the leave of the House.

Mr. P. P. Ginwala: Sir, I could not hear or follow the arguments of my Honourable friend on the opposite side. But whatever those arguments may be, I strongly oppose any reduction of this vote. I think the complaint is not that His Excellency the Viceroy and the Members of His Council, do too much touring but that they do not tour the country enough. If His Excellency the Viceroy does really wish to get acquainted with the country and wants to break away from the bureaucratic notions which he is bound to imbibe from the Government Benches, the safest thing he can do is to get away from both Delhi and Simla as often as he can and have a look at the outside Indian world. The immediate reason, however, why I got up to speak was with reference to my own province. During the last 22 years I believe only two Viceroys have visited that province, and I really do wish to know whether His Excellency is going to visit our province at all. When on former occasions a Viceroy did come, if he came during the first year of his office, and if we asked him to do anything he replied that he had not been long enough in the country: he must take time to consider and when he got back to Calcutta he forgot all about it. If a Viceroy came at the end of his term of office he said he was very sympathetic but he had no time left in which to give attention to our needs. Sir, I hope that on the present occasion the necessity of either kind of reply will be avoided by His Excellency the Viceroy coming to our province during the middle of his term of office.

The Honourable Sir Malcolm Hailey: Sir, I of course cannot give any definite answer to Mr. Ginwala on the subject of a visit by His Excellency to Burma, though I can promise to convey to His Excellency as soon as possible what Mr. Ginwala has said on the subject.

The motion is being withdrawn and I am sure it is not the desire of the House that I should answer at length the arguments put forward by its Mover. But the House will permit me to say that, while it is fully within its competence to discuss the expenditure on His Excellency's tours, and the propriety of extending or restricting those tours, yet I am sure it will feel that any discussion which imputes to His Excellency motives of an undesirable nature in choosing one spot rather than another, or unsuitable motives in selecting his visitors and the like, is to be deprecated in this House. (Hear, hear.) I am sure that the Honourable Member did not really mean to overstep the bounds of what I may describe as delicacy in this respect, but certain observations did fall from him which I think might be somewhat misunderstood outside this House unless it was very clear that the House itself did not agree with the tenour of his remarks upon the subject. (Hear, hear.) That the House does not so agree is I think perfectly obvious from the attitude of the House in asking him to withdraw his motion.

Mr. Pyari Lal (Meerut Division: Non-Muhammadian Rural): Sir, I too oppose this amendment. (*Cries of "He has withdrawn."*) But I wish to make one observation and that is, that probably it is not generally known that most of His Excellency the Viceroy's tours are to the capitals of Indian Chiefs and Princes and these tours do a great deal of good. I wish that His Excellency would extend his tours in British India in the same way as he does in the Native States.

The amendment was, by leave of the Assembly, withdrawn.

Executive Council—Travelling and other allowances.

Munshi Iswar Saran (Cities of the United Provinces: Non-Muhammadian Urban): Sir, I beg to move:

"That the provision for travelling and other allowances under sub-head 'Executive Council' be reduced by Re. 1."

Sir, my object in bringing forward this proposition is not to ask that the travelling allowance be actually reduced, but it is to seek an opportunity to put before the House one or two matters of great importance. We find that the Acworth Committee as well as the Incheape Committee have suggested the re-allocation of business between the various Members of the Executive Council. We find that the Acworth Committee as well as the Incheape Committee are agreed that there should be one Honourable Member of the Executive Council in charge of Communications, which will include amongst other things Railways. Now, that being so, we would like to know if there is any prospect of these recommendations being given effect to in the near future? And if that be so, will Government take into consideration the strong feeling that exists amongst Indians that some of the Indian Members of the Executive Council should be put in charge of administrative Departments? There is a strong feeling on the subject as must have been plain to every body from the remarks made by different speakers on previous occasions. It is to reiterate those remarks and to insist again on the importance of its being taken into consideration

Mr. President: I want to provide the Honourable Member if possible with the opportunity of discussing that question; but I think it might be

an unfortunate precedent if I allow him to discuss a question of that magnitude on so restricted a motion as a motion for reduction of travelling allowance. He had better reserve this question till I put again the total vote for General Administration. Then I think it will be the proper time to raise it, and I expect the Honourable Member to take his own opportunity of catching the eye of the Chair on that occasion.

Munshi Iswar Saran: Sir, you will please permit me to say that the effort to catch the eye is not the same thing as actually catching the eye.

Mr. P. P. Ginzwa: I move:

“That the demand for tour expenses under sub-head Executive Council be reduced by Rs. 100.”

Sir, I am afraid I am going to strike a provincial note once more in connection with this reduction proposed by me. I do not know whether it can be a real grievance for any province that Honourable Members of the Executive Council do not visit it at all. But in the case of my Province it happens to be a grievance I think and the time has arrived when it may be rectified. I know the Honourable the Home Member is in a very fortunate position. He has got one of our Secretaries in his office, who no doubt keeps him in the proper path and prevents him from making mistakes from pure ignorance of our conditions also has opportunities of supplementing his knowledge of the province by going through petitions for clemency which he gets at least four times a month and from which, I daresay he thinks he can gather the characteristics of my people. But apart from that, I venture to submit, that every Member of the Executive Council ought to make it his duty to visit this most interesting province which India possesses. This Assembly has got into the habit of complaining against the methods of Whitehall mainly on the ground of its colossal ignorance with regard to Indian affairs. I do not know whether I should apply that epithet to Honourable Members on the Treasury Benches with regard to Burma, but if I did I do not think I should be far wrong. There is one extenuating circumstance, however, in the ignorance of the Government of India about Burma, and that is that it is entirely indifferent to our affairs and therefore its ignorance does not do us so much harm as it might do. But the time for *laissez faire* is slowly passing away and it would be just as well that they should place themselves in a position to understand the various problems which unfortunately are bound to come up before them until we are able to claim our separation, our release, or rather our manumission from the Government of India. I know, how dangerous a thing it is sometimes to ask for a visit from any Member of the Government of India.—Mr. Innes was there I think for some time. He caught hold of all our rice I think, and he claimed that he made nine crores of rupees profits from this transaction. I do not know whether it was he who advised the Government or somebody else to make an attempt to stick to this amount, but the attempt was made and we eventually defeated them. But even if we should run a risk of this kind, we should welcome some sort of personal investigation into the problems of the province as long as they have to be determined by the Government of India or subject to the decision of the Government of India, and I would ask the Honourable the Home Member whether in these touring expenses any provision is made for a pilgrimage to my province (*A Voice:* “But there are elected Members here from that province.”) I am afraid the elected Members cannot impart to the Government of India knowledge about places they have never seen. If any visit is contemplated I should like to know, which Honourable Members

[Mr. P. P. Ginwala.]

intend to give us a visit, and whether it is going to be those American tourist visits of three days after which they will write their impressions in official documents and go entirely wrong, or whether there is going to be a really genuine visit which will give them some indication of our requirements. I move my motion.

Mr. President: The question is:

"That the Demand for Tour Expenses under sub-head 'Executive Council' be reduced by Rs. 100."

The Honourable Sir Malcolm Hailey: I quite recognize Mr. Ginwala's motives, Sir. But it is a queer way to get us to Burma by reducing the travelling expenses which are necessary to carry us there. But that is only incidental, and, of course, it was the only way open to him of approaching the question. When we discussed recently the question of His Excellency the Viceroy's tours, I ventured to suggest to the House that a little delicacy was required in approaching the matter. But when, Sir, you propose to cut the touring or other expenses of Members of the Executive Council, we are ready to admit that no delicacy was required at all, we are lambs ready for slaughter. Instead of that, Mr. Ginwala has extended to us a very charming invitation to his province. Now I believe that there are only two ambitions on the part of Members of the Executive Council. One is to see the end of the sittings of the Legislative Assembly, and the other is to get to Burma. I have again and again seen tours planned for Burma: again and again, unfortunate events have prevented their being carried out. This time, there are indications that at least two Members of Council are attempting to get there. For my own part I can only say that I hope they will be successful. The exact information therefore I cannot give to Mr. Ginwala, though I hope to be able to do so at a later date.

Mr. P. P. Ginwala: I ask, Sir, to be allowed to withdraw my motion. The motion was, by leave withdrawn.

Munshi Iswar Saran: In view of the suggestion made by you, I do not move No. 238.*

The motion was, by leave of the Assembly, withdrawn.

Dr. Nand Lal (West Punjab: Non-Muhammadan): I think, Sir, the provision is rightly demanded; therefore I do not propose to move these amendments. (Nos. 241 and 242).

Legislative Assembly—Daily allowance of non-official Members.

Rao Bahadur T. Rangachariar: Sir, I beg to move:

"That the provision for Daily Allowance of Non-official Members under sub-head 'Legislative Assembly' be reduced by Rs. 24,000."

† The Rs. 200 is an unnecessary addition. Honourable Members will notice, if they will turn to page 38 of the Demands, that the daily allowance provided for official and non-official Members of the Legislative Assembly for the year 1922-23 amounts to Rs. 95,960, and for the coming

* "That the provision for travelling and other allowances under sub-head 'Executive Council' be reduced by Re. 1."

† "List of motions,—No. 243, namely:

243. That the provision for daily allowance of non-official Members under the sub-head 'Legislative Assembly' be reduced by Rs. 24,200."

year they will amount to Rs. 1,20,000. I do submit, Sir, that there is a short paragraph in the Retrenchment Committee's Report which I think all of us should read, mark and inwardly digest; that is at page 127.

Mr. President: The Honourable Member is moving the reduction of daily allowance or of travelling allowance?

Rao Bahadur T. Rangachariar: Daily allowance.

Mr. President: Then it is the larger figure.

Rao Bahadur T. Rangachariar: I will explain, Sir, how it is possible. I am sorry,—the daily allowance of official and non-official Members amounts to Rs. 2,84,200. At page 127 there is a very short and significant paragraph as regards this: "The large increase which has taken place in expenditure since 1913-14 is due to the appointment of full-time Presidents, since the expansion of the Councils, the longer sittings held under the reformed constitution, and the grant of more liberal allowances to Members present in Delhi and Simla. The bulk of the increase is inevitable, but we feel that the matter of reduction or otherwise in travelling and other allowances is one that should be left to the Legislature." Sir, reading between the lines, the Inchcape Committee, whose members were for the most part, it must be borne in mind, paid, hinted at a reduction. There is one rule to which I would draw particular attention, it seems to be erring on the side of extravagance, and that is this. The rule provides that Members who come here for 7 days before the actual meeting are entitled to draw daily allowance for 7 days, and you are also entitled to draw for seven days after the meeting is over. It seems to me a most extravagant allowance to allow such a long limit. I can understand 2 days, I can understand 3 days; I do not think, Sir, that for any meeting more than three days is really needed for us to come here or for us to stay after the meetings, either before or after the meetings begin. I hope Honourable Members will endorse that view. When we are preaching economy to the Government Benches, let us practise it ourselves and show to the Government that we are prepared to do, to forego extravagance. During the initial stages of the existence of this Assembly the Government were generous enough to make this provision and to make a handsome provision, and we are thankful to them for all the comforts they are providing us, but we do think we are provided with greater comfort than we need be. While we are grateful to them for this provision, we do think it is extravagant, and I therefore ask that the estimates which will be framed for the current year should be on the footing that only three days' allowance is granted either before or after the event. In this way, I have calculated the amount, assuming we have got two Sessions, you get a week beforehand, that is, 4 days beforehand and four days afterwards, that is 8 days, 8 plus 8, 16 days. Putting it at 15 days, and assuming that 50 Members will be drawing this on an average out of 150 Members, I think that it would not be a large sum which I propose to reduce. I have not asked for opinions. I have avoided going into personalities in this matter. If any Honourable Member considers it is a bad principle, do endorse it by your vote emphatically, but I do consider it is a very good principle I advocate and that we should affirm it, and I hope, Sir, the House will cut a fair amount. I should like to be informed, and I am quite prepared to substitute a nominal sum of Rs. 4,000 instead of Rs. 24,200—I am entirely in the hands of the Assembly in that matter, but it is the principle I wish to affirm, which is that this provision for seven days before and seven days after should be done away with. That is the object of my motion.

Mr. President: Motion moved:

"That the provision for Daily Allowance of Non-official Members under the sub-head 'Legislative Assembly' be reduced by Rs. 24,200."

Lala Girdharilal Agarwala (Agra Division: Non-Muhammadian Rural):

12 noon. Sir, I do not want to give a silent vote on this matter without strongly supporting the motion moved by my Honourable friend, Mr. Rangachariar. It is really very important that we should show some retrenchment in our own allowances and the case which has been rightly put by my Honourable friend appears to me just and proper. It is really not too much to expect Honourable Members to charge at the most for 6 days or 4 days or 3 days, as my Honourable friend says, both times put together. With these observations, I strongly support the motion.

Mr. R. A. Spence (Bombay: European): Sir, I should support, as I did before, the motion of my friend, Mr. Rangachariar if it was for the revised amount of Rs. 4,000. I think every one of us is agreed that seven days is far too much, but as was pointed out by Mr. Rangachariar there were very few people who draw that amount and the amount of Rs. 24,200 is therefore far in excess of the amount that would be saved by doing away with three days' allowances; and, therefore, as it is more than would be saved by doing away with the 3 days' allowances is it for us to cut down the allowances for Members of the next Assembly? Two years ago or three years ago, Sir, this Assembly voted this Assembly more money and more allowances—Rs. 20 instead of Rs. 15. Now, this Assembly's life is drawing to a close. Is it for any Member of this Assembly who is not absolutely certain that he is going to be a Member of the next Assembly to cut the allowances of the next Assembly? I say no, it is not. Acting in the interests of economy two years ago a number of us voted to reduce our own allowances and we quite rightly voted, although many of us sacrifice a great deal in coming here, and I suppose there is practically nobody in this Assembly who can say that he makes money out of coming here. But that is a very different matter. We should not cut more than the sum which would be saved by this very reasonable suggestion of my Honourable friend, Mr. Rangachariar, viz., that we should only be paid three days before and three days after we come here. But the sum of money which would be saved is only Rs. 4,000, and yet the motion before the House is to reduce the allowances by Rs. 24,000.

Rao Bahadur T. Rangachariar: You move an amendment.

Mr. R. A. Spence: If I may move an amendment to substitute the figure Rs. 4,000, I heartily do so. If we are to cut it by Rs. 24,000, I consider we would be in the wrong.

The Honourable Sir Malcolm Hailey: We believe it will save about Rs. 10,000.

Mr. R. A. Spence: May I move an amendment that the allowances be cut down by Rs. 10,000?

Rao Bahadur T. Rangachariar: I accept that amendment, Sir.

Mr. President: Further amendment moved:

"Substitute the figures '10,000' for the figures '24,200'."

The same purpose will be served if an assurance is given by Government that the suggested rule will be applied.

The Honourable Dr. Mian Sir Muhammad Shafi (Law Member): Sir, in regard to the definite proposal put forward in the amended motion, the position which Government propose to take is this. Should the decision of the Assembly be in favour of the motion as now amended, Government will carry that out in the ordinary way by reducing the demand by an amount which on calculation may be found to be equal to the allowances as now suggested.

Mr. President: Amendment moved:

"Substitute the figures '10,000' for the figures '24,200' (in amendment No. 243*)."

The question is that that amendment be made.

The motion was adopted.

Mr. President: The question is:

"That the provision for Daily Allowance of Non-official Members under the sub-head 'Legislative Assembly' (page 38) be reduced by Rs. 10,000."

The motion was adopted.

Legislative Assembly—Haulage of motor car and Conveyance Allowance.

Rao Bahadur C. S. Subrahmanayam (Madras ceded districts and Chittoor: Non-Muhammadan Rural): Sir, I move:

"That the provision for Haulage of motor car and Conveyance Allowance under the sub-head 'Legislative Assembly' (page 38) be reduced by Rs. 50,000."

The object of this amendment is to do away with the haulage allowances which Members bringing their motor cars to Delhi are entitled to receive now. This stands, Sir, on an altogether different footing from the allowances which seems to be the privilege of Members of this Assembly to draw. It is entirely different from the daily allowance, also from the travelling allowance. Motor cars, I suppose, are contrivances of recent years, and at one time—to answer the argument of my Honourable friend Mr. Spence—at the commencement of this Assembly, when we came to Delhi, it may have been considered that Delhi would not provide the necessary number of conveyances for Members living at a distance from the Assembly Chamber. Probably in order to make up for the lack of conveyance facilities and conveyance equipment in Delhi it may have been necessary to give this allowance for haulage of motor cars. But, now, we find that Delhi can supply all sorts of conveyances, from the high class tip-top motor car to the lowest conveyance of pristine times. So, I think the ground on which solely an allowance like this could be made does not exist now. Then, it might be said that you cannot deprive Members who are accustomed to this means of conveyance, or to their particular conveyance, when they come to Delhi in the service of the country. Motor folk like carriage folk of old are men of means: I assume that and I do not think that assumption will be questioned, and those Members are generally wealthy merchants or big land-owners or professional men who are in fairly affluent circumstances. It is not everyone that brings his motor

[Rao Bahadur C. S. Subrahmanayam.]

car; and to help those Members at the expense of the tax-payer is not fair. While the House has been ringing with cries of economy in regard to extravagant and superfluous allowances to the officials, when we in discussing the allowances of officials declaimed against the extravagant travelling and other allowances, I think we may also bear in mind what our own situation is in regard to these allowances. I think the House must be very much indebted to our Honourable friend, Sir Deva Prasad Sarvadhikary, who had been attacking these large sums of travelling allowances and contingencies in regard to officials. Well, I think a portion of that attack I could use in support of this motion.

Another point is that this haulage allowance has led—I will not enter into details—to certain abuses or misuses, if I may say so. It is so unequal. It benefits in a very inequitable manner the recipient and it throws more inequitable burden upon the revenues of the country. Well, a Member comes here just for a few days, to grace this Assembly with his presence for a few days; he comes from a long distance, draws a large amount of motor haulage allowance and goes back. Another Member who is working here from the beginning to the end, is punctual in attendance and regular in the discharge of his duties in the Assembly also does the same. It is an unequal burden cast upon the tax-payers of the country. Apart from that, another objection, a very serious objection is that you are going to ask the tax-payer to pay those who can well afford to find the means. That is you give money to those who have it. That again is a serious objection to this allowance. Now from the point of view of logic, or justice or equity, I think this particular allowance which stands aloof from the other allowances is indefensible. I think it is time now for the Assembly to look about and set its own house in order. Now Lord Incheape's Committee did not deal with the subject, but brief as the reference is to our allowances, one can read between the lines and draw the moral. They had tackled all Government departments; they were ruthless in cutting down expenditure in the various departments of the Government, but when they came to this matter of the allowances of the Legislative bodies, they said, "We will leave it to their good sense, to their sense of patriotism, their sense of public spirit and their sense of decency."

Khan Bahadur Abdur Rahim Khan (North-West Frontier Province: Nominated Non-Official): "Decency," why don't you quote correctly?

Rao Bahadur C. S. Subrahmanayam: That is what I understood from that brief reference. A reference was made by the Honourable Mr. Spence that early in the life of this Assembly we were instrumental in modifying the 15-rupee allowance and making it a 20-rupee allowance, but that was not exactly the object. The Assembly thought that the Council of State should not be put on a higher level all along the line and the whole attack was to put the two Chambers on an equal footing. That was the Resolution that was passed, but Government thought for some technical reasons that the prefix of "Honourable" could not be given to this Assembly, nor should it be taken away from the Members of the other body, because this is how it is in the Dominions. But in regard to the rupees, annas and pies, we could have it as equal. That was what occurred. But it was also then thought it would not be very fair to cut down the allowance, but if any Honourable Member now proposes to cut down those daily allowances, I don't suppose the Assembly or any section of it would oppose

it, but that is irrelevant. This is a matter which stands on a logical basis. Last year some question was raised, a feeble attempt was made, and the matter was not properly discussed, and since then opinion has gathered against this allowance. Those who are in touch with current public opinion will find that both Indian and English-conducted papers condemn our action or inaction in regard to the cutting down of our allowances. It has always been sarcastically said that the Assembly grabs as much as it can in various forms of allowances, but when it comes to allowances to others in the services and elsewhere, especially to the higher services, it is very stringent. The Indian papers have declaimed against us Members of the Assembly who come here, and have made all sorts of insinuations. Much of it may not be correct, but they make the insinuations and that also must be taken into account. Another argument which has been adduced and may possibly be used is that we are at the end of our term. All legislation is in that fashion; it may not apply at once, but we here cannot shirk our duty in deciding. When the next Assembly comes into being, if it wants more, it is entirely in its power to raise these allowances to double and treble them and get as much as it can. After all a Resolution of this House, or even a piece of legislation passed by this House is only good so long as it is not disturbed, and therefore that argument that we are at the end of our term and therefore we are doing this, would be hardly logical, hardly justifiable. And as I said, the sole ground on which no attempt has been made in the last two years is that in the first year we were quite new to Delhi; we did not know the conditions. The next year we felt our feet, we knew where we were and now we have started. In regard to several other matters I may inform the House that Members of the Local Councils who have been here were very sarcastic in their references to our inconvenience and troubles. A great many of us felt we were put to great inconvenience and trouble coming away long distances from our homes, and being put to inconvenience by the weather in the early months of the year which affected us in Delhi; but they were sarcastic; they referred to the magnificent piles of buildings, our hostels, in Raisina and referred to our other amenities, and thought they had come down very much in the opinion they held of us prior to visiting Delhi. And from that point of view I consider that the reduction as I have proposed must be made. I have taken the figure of Rs. 50,000 and I think I am fairly accurate in the amount of money that is spent on the Members bringing their motor cars to Delhi. That is a rough and ready figure and if that trenches upon the other allowances, it is open to Government to ask for a small supplementary grant. Therefore without a division, without any note of discord, I appeal to every Member of this House, non-official Members especially, to vote for this reduction which I ask for.

The Honourable Dr. Mian Sir Muhammad Shafi: Sir, here again the Government are prepared to carry out whatever decision the House may arrive at upon my Honourable friend's motion.

Mr. P. P. GINWALA: May I know how much the Government Members will lose if this reduction is made?

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): The Resolution asks for a reduction of the haulage charge for motor cars for the next year's budget, that is 1923-24 and the life of this House does not extend beyond September or October next, and no motor cars are taken to Simla. So, so far as this House is concerned, the question of motor

[Maulvi Abul Kasem.]

car haulage does not arise at all, so this motion ought, I think, to be moved in the next House when it is formed.

Mr. B. C. Allen (Assam: Nominated Official): I rise, Sir, to a point of order. Surely this is a case in which we can apply the principle advanced by Mr. Ginwala. Mr. Ginwala explained to us how Viceroy's who visited Burma in the first year of their office said that they had no experience and therefore could take no steps to alleviate their grievances. At the conclusion of their terms of office, they had no time to do so. My Honourable friend has objected to this House legislating with regard to motor haulage, but if we don't take action to reduce this allowance, how will it be possible for our successors to do so during the following year?

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): Sir, I am much indebted to Mr. Subrahmanayam for his appreciative reference to my efforts to get the travelling and similar other avoidable charges reduced. I desire to assure him that, when I came to move my general motion for a reduction of five lakhs, I was intending to refer to what he has attempted in the motion before the House, and, if he is able to carry this motion, I shall undertake to reduce my demand for reduction by Rs. 50,000 and ask the Honourable the Home Member to accept the lower figure of four lakhs and a half for reduction on General Administration. But, Sir, there are one or two matters about which I think apprehension ought to be removed. In Simla there is no rickshaw allowance and Members do get on without losing efficiency or suffering in any way in health or work. There is a difference in Delhi and that is demonstrated by the Rs. 5 allowance which Members are allowed. People who bring motor cars are allowed only Rs. 2-8 a day (*Dr. H. S. Gour*: "They are not allowed anything at all.") Oh yes, they are allowed Rs. 2-8 a day for petrol in Raisina. Whether therefore there will be a real saving or not if motor cars are not allowed to be brought is a matter that will have to be gone into. Reference has twice been made to the little paragraph in the Retrenchment Committee's Report regarding what is called there the more liberal allowance to Members at Delhi and at Simla than used to prevail before. Well, if both the Houses were agreeable, I am sure the Members of this House would be prepared to accept the lower allowance. It was as a question of principle and prestige that this House voted for a higher allowance. And incidentally I cannot help recalling to mind a somewhat inaccurate statement made by one of the Members of the Incheape Committee, not in committee but on a convivial occasion. He was complaining that, when he was a Member of the Legislature in the old days, he never got an allowance, like the Members of the present Legislature get. His complaint, Sir, was exactly the complaint of our Delhi colleague here. That Member probably never travelled out of Calcutta. He ought to have known that a three-figure allowance used to be given as a lump grant to Members from outside Calcutta and Simla attending meetings of the Council. Let us have these reductions by all means and I think it is up to the Members of this Legislature to bring forward Resolutions of this kind and the one we have just passed to show that when we want reductions elsewhere we are ourselves prepared to submit to cuts.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadan): Sir, last year there was a similar motion for the reduction of the grant under the haulage

of motor cars. This hardy annual has re-appeared again and my friend Mr. Subrahmanayam is the sponsor to this motion. The one question which concerns the Members of this House, and to which the Honourable Mover of this amendment has adverted, is that, as the Members are not allowed haulage for their motor cars in Delhi, how are they to get about? My friend Mr. Subrahmanayam has answered that question for the Members by stating that there is a sufficiency of motor cars and carriages of all descriptions which the Members can engage during their stay in Delhi. That is an invitation which I have no doubt Members of this House will gladly accept, provided my friend the Honourable Mover of this Resolution will foot the Bill; because my friend could not be unaware of the fact that the daily charges for motor cars in Delhi is in the neighbourhood of Rs. 80 to Rs. 100 per diem. Consequently, if my friend allows Members of this House to use motor cars in Delhi and that is a statement with which he opened his speech, I do not know where my friend would economise the Rs. 50,000 which he wishes the reduction to be under this head. And in retrenching Rs. 50,000 on this head, whether he would not swell the expenses of motor cars hired out and placed at the disposal of Members. Now, Sir, the other question which my learned friend raised was a very interesting question. He said Members of this House who bring motor cars to Delhi are all well-to-do people; they can all afford to pay for the haulage of motor cars, and therefore, there is no reason why Government should be made to pay for the haulage. But my friend surely could not have forgotten the fact that, if the wealthier Members of the Assembly possess motor cars which they can bring to Delhi at their own expense, the other Members of the Assembly are wealthy enough to provide their own maintenance when they are in Delhi; and if it be any argument at all that the wealthier Members of the Assembly should pay for their motor cars, is it not equally cogent an argument that the other Members of the Assembly should also pay for their own maintenance? As the one class can afford to pay for their motor cars, the other class can equally afford to pay for their subsistence in Delhi. But my friend could not have forgotten the fact that whether he refers to the one class or to the other, they come at immense sacrifice of time and money and come to Delhi to place their services at the disposal of the State, and, if they are to pay for their motor cars, surely my friend will not grudge them the payment which they would naturally expect for the loss of time which they devote to the service of the State, and what would be its value? Placed at its lowest estimate, I think if you were to value the services of a man like my friend Sir Campbell Rhodes, or my friend, Sir Montagu Webb, or my friend, Rai Bahadur Subrahmanayam, I am perfectly certain that the retrenchment of Rs. 50,000 will be merely a fleabite compared to the expenses which the State will incur in compensating them for the loss of time in coming to Delhi and placing their invaluable services at the disposal of the State. Then, my friend said that Members of the Local Council and the papers made some adverse criticism upon the pile of buildings in Raisina and the comparative ease and luxury in which Members lived there. I am afraid my friend has weakly yielded to these criticisms. He might have paused for a moment to think whether the comfort which he himself enjoys in the hostel at Raisina is anything compared to the comfort to which he is accustomed in the place he hails from, and, if he was to place side by side the comfort and the sacrifice he has made, the time he is spending and the inconvenience he is suffering during his stay in Delhi, I have no doubt that the comforts he speaks of are incomparably small to the service he renders the State and the sacrifice he makes in the name of patriotism.

[Dr. H. S. Gour.]

I am sure, Sir, that my Honourable friend has been unduly moved by the cheap criticisms of the yellow press. I am sure that if the Members of this House were given no allowance at all and if they came in clean clothes to this House, these newspapers will complain that these Members somehow or other are able to live in luxury and comfort. The poor man, Sir, always rails at the rich and when he becomes rich himself he realises that the difference between the poor man and the rich man is at times a lack of effort. Now, Sir, my friend Sir Deva Prasad Sarvadhikary who has pronounced his benediction upon this amendment and come to terms with the Mover of this amendment

Sir Deva Prasad Sarvadhikary: And I hope with the Government Members.

Dr. H. S. Gour: with a promise that he would reduce his demand by Rs. 50,000 if this motion is carried has perhaps not vouchsafed to this House any explanation as to what will be the conduct of this House if you were to deprive it of the ordinary amenities of life, if you were to deprive the Members

Rao Bahadur C. S. Subrahmanayam: Not ordinary.

Dr. H. S. Gour: of the ordinary necessities of life

Rao Bahadur C. S. Subrahmanayam: Extraordinary.

Dr. H. S. Gour: and what would be the position of the future Members of this Assembly who would have to consider that not only would they have to come up to Delhi but they would be provided with no conveyance or haulage allowance which their predecessors had, thanks to the motion of the Honourable Mr. Subrahmanayam. I therefore submit, Sir, that my friend could not have seriously intended this House to commit itself to a proposal which, as my Honourable friend Maulvi Abul Kasem has pointed out, would not affect the sitting Members but is likely to prejudice the Members to come. One more word in connection with the cost of the haulage and the daily allowance given to the Raisina residents. I have heard from some Members that Members in addition to the actual haulage allowance for motor cars receive, some say Rs. 5, some say Rs. 2-8-0, per diem. Well, Sir, I do not know what Members are the fortunate recipients of these *douceurs*. It may be that those who live 8 miles away in the wilds of Raisina are paid these small amounts by way of solatium. I do not grudge it to them. I am perfectly certain, Sir, that so far as the haulage of motors is concerned, this House will signify its views in the manner in which it did last year when a similar question was debated in this Assembly.

Mr. W. M. Hussanally (Sind: Muhammadan Rural): Sir, I rise to oppose the motion brought by my friend Mr. Subrahmanayam. Before I begin, Sir, I must make it clear that I have no motor car and I do not charge for haulage allowance. Therefore, whatever I say does not apply in my case. Sir, a motor car for those who reside in Raisina is a *sine qua non*, for one reason, Sir, it takes my carriage nearly one hour to come here from Raisina in the morning and one hour more

in the evening to go back. We are kept here very often after 5-30 P.M. and sometimes even up to 6 P.M. Last night we were kept till 6-30 P.M. by a Select Committee, going home after that time and taking an hour more to reach our home, if home it can be called, furnishing for a cup of tea on the way before you get home to have one. Is that the way, Sir, in which the Assembly should treat those Members who come here to devote their time and energy for the work of the country? Whereas a motor car will take you home within about 10 or 15 minutes. On the other hand, Sir, there is another difficulty so far as carriages are concerned. You have to keep the carriage here the whole day. The horses will have to remain without any food or water perhaps. You don't know what time you are going to get off from the Assembly. Sometimes we get up early, sometimes late, so that every gentleman who brings his carriage or motor here has to keep it waiting nearly the whole day, as I suppose every one of us will bear testimony to. Therefore, Sir, bringing a motor car, for those who possess one is necessary though it is a little costly affair. I know a friend of mine has hired a motor for himself in Delhi and he pays Rs. 350 a month besides the cost of petrol and the pay of the chauffeur, if I mistake not. Thus it will appear that it is a very costly affair to hire a motor. But if you keep it for the day, the charges are much more heavy, as has been pointed out by Dr. Gour. Thus it is almost impossible to get on without a motor for those gentlemen who have got any value for time and to expect them to pay for the motor out of their own pocket and come and reside here for three months in the cold weather and a month in Simla is certainly more than what the Assembly can expect. I know, Sir, so far as the Bombay Council is concerned, there are several Members who do not attend regularly because they find the expenses too heavy in Bombay and Poona and the allowances they draw are not sufficient. This was the complaint made to His Excellency the Governor of Bombay only a few days ago so far as Sind Members were concerned during a visit which he paid to Karachi recently. Mr. Subrahmanayam thinks that the gentlemen who are residing in Raisina hostels are enjoying all the comforts of life that they possibly can expect at home, and yet, let me inform him that both the hostels are lying empty. There are only a few gentlemen who care to go into those hostels and no more, with the result that one of these hostels has been sold off to the Telegraph Department. That does not speak for the convenience and comfort of these big piles of buildings with their appendages. I think these hostels afford far less comfort than they ought to, with all the money spent upon them. Compared to these hostels the Windsor Place quarters are a little more comfortable. But you certainly demand a certain amount of comfort and convenience when you have to come and reside here nearly for three months. You cannot stay without convenience and comfort if you have to make a long stay. Gentlemen who go to the Provincial Councils have only to stay for 10 or 15 days at a time and they can go back home, so that their case is quite different from ours. We come all the way from our homes and stay here at a stretch for 2 or 3 months. Naturally therefore we expect rather better comfort than what the Members of the Provincial Councils have. I hope the House will not carry this motion.

One more reason that occurs to me is this that we cannot afford to be generous at the cost of other people. What does the motion as it is brought mean? It means cutting down the allowances of our successors.

[Mr. W. M. Hussanally.]

It is very easy to be generous at the cost of our successors. If Mr. Subrahmanayam was serious he ought to have moved his motion last year and touched his own pocket.

Sir Campbell Rhodes (Bengal: European): My Honourable friend Mr. Subrahmanayam seems to have so little support in this House that I am glad of the opportunity of taking my stand beside him on this occasion. My reason for supporting this motion is simply this. I am strongly in favour of following the precedent of other countries of the payment of Members in order to allow Members who could not otherwise afford to enter on a political career to do so. But I am not in favour of paying the rich man more than his poor neighbour and that is, in effect, what this Resolution means. (*Cries of "No, no."*) It means in fact that the man who has a motor car and therefore is able to afford some of the amenities of life is paid haulage of his motor car whereas a man without a motor car does not get that money and if he lives on this side of Delhi he gets nothing, but if he lives on the other side he gets an amount which as Dr. Gour has pointed out is hardly sufficient. I presume that all these allowances will be stopped as soon as we all get to Raisina. I do not share the pessimism of some Members of this House about not coming back next time and I cordially agree with what Mr. Allen said that we have the right to settle the budget for this year. I have not heard it suggested in the votes of grants in general that we should only budget up to the 1st November or whatever date the dissolution occurs, and having voted for this Resolution last year I feel I am perfectly consistent in voting for it again this year.

Bhai Man Singh (East Punjab: Sikh): I have to oppose this amendment. I have not got a motor car and so I have never brought one here and I cannot say whether I will do so in the near future, and even if I bring it I do not think I will be a loser if this amendment is passed for I think the haulage from Lahore to this place is less than the daily conveyance allowance for the Session. So far as I am personally concerned, I am not at all touched by the proposal or by the grant of motor haulage. But the main question is this. Delhi is not one city, but if I may say so, is a group of two or three towns. There is Raisina, there is this part of Delhi and then there is the big main city and it is not very easy to go from place to place without having a conveyance at your hands. Those gentlemen who at their own places are habituated to the use of motor cars—I cannot say why we should force them not to have the use of a car at Delhi when they come to discharge their public duties here. Moreover, it is quite easy to say that such and such a person being a rich man should pay from his own pocket. If that argument holds good, then if a man wants to come and live in Delhi he should pay from his own pocket for his living too. The question is whether a motor car is or is not a necessity or well-nigh a necessity. Of course, so far as I am concerned, I have never felt a motor car a necessity at my original place, Ambala, I have felt it rather as some necessity at Lahore, but I think I have always felt a motor car an absolute necessity at Delhi I have always felt great difficulty without having a conveyance at my disposal at Delhi. I know that many of my friends had to walk actually from this place for some distance before getting a *tonga* and whenever you phone from the hostel to a *tonga* stand they sometimes say "No *tonga* is available"; another time they say, "*Tonga* coming" and you have to wait half an hour and

again you phone up and they say, "We have just sent a *tonga* and it may come in ten minutes." I think some may feel inclined to dispense with coming to the meeting altogether if they cannot get a *tonga* just in time. Suppose a man who is living in the Raisina Hostel is delayed half an hour after 11 o'clock it is practically impossible for him to get any conveyance from that place to this place. It is not only that we have to come here 4 or 5 days a week but we have got many other things also to do. We are not supposed to come here—only to come here in this Chamber, attend the Assembly and go back. Of course, as social men we have to move in the social life of Delhi. Not only that. I think there are many matters which we cannot always discuss on the floor of this House but in connection with which we should try to see Members of the Government or other officials in charge and bring to their notice the defects in the working of the several departments. There is therefore much more need for moving about in Delhi on our part than appears to be on the face of it. I therefore think that it is an absolute necessity that those who can at all afford to keep a motor car must bring their cars. If I can legislate I would say that every Member who has got a motor car must bring it up to Delhi not only that he may use it himself but also that he may give a lift to a poor man like myself now and then. I am really astonished at the remarks about the more liberal allowances given to Members of the Legislative Assembly. I shall feel obliged to any gentleman of the Assembly who can show how the Members of this Assembly or of the Council of State are given a more liberal allowance than their predecessors. I think that statement is based upon some misconception. No doubt, some people in the past have criticised our Resolution of 1921. But are we always to follow what the Press say whether it is reasonable or unreasonable? One word more. My friend Mr. Subrahmanayam grudges the little haulage allowance that is given to the Members but he forgets that Members of the Legislature in India are the lowest paid throughout the world, even as compared with the smallest colonies and the smallest countries, if not the lowest, well nigh the lowest as compared with all the countries. I remember to have compared the figures last year and if my memory does not fail me there is not a single instance where such allowances are less. I cannot understand why the country and the tax-payer should grudge a gentleman bringing his motor car to Delhi when he is using that car in his own place. It is said that it is simply giving an extra advantage to the rich man who can keep a motor car, but I submit that the rules allow a Member to bring a pair of horses also to Delhi if he wants to do so. I think a good many of us have got our horses. They can bring them here if they choose to, but I may remind my Honourable friends that the distances in Delhi are so great that even a pair of horses if used regularly are bound to grow much thinner though I would not say die. I have seldom seen any good horse in Delhi which is put to any great use. With these remarks I oppose the amendment.

1 P.M. (Voices: "The question may be put.")

Mr. President: The question is that the question may be put.

The motion was adopted.

Mr. President: The question is:

"That the provision for haulage of motor car and conveyance allowance under sub-head 'Legislative Assembly' be reduced by Rs. 50,000."

The Assembly divided :

AYES—34.

Abdul Rahman, Munshi.
Abul Kasem, Maulvi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Agarwala, Lala Girdharilal.
Allen, Mr. B. C.
Amjad Ali, Maulvi.
Asjad-ul-lah, Maulvi Miyan.
Ayyar, Mr. T. V. Seshagiri.
Basu, Mr. J. N.
Chaudhuri, Mr. J.
Clark, Mr. G. S.
Faridoonji, Mr. R.
Iswar Saran, Munshi.
Jamall, Mr. A. O.
Jatkar, Mr. B. H. R.
Joshi, Mr. N. M.
Lakshmi Narayan Lal, Mr.

Mitter, Mr. K. N.
Mukherjee, Mr. T. P.
Nabi Hadi, Mr. S. M.
Nag, Mr. G. C.
Neogy, Mr. K. C.
Percival, Mr. P. E.
Pyari Lal, Mr.
Ramayya Pantulu, Mr. J.
Rangachariar, Mr. T.
Rhodes, Sir Campbell.
Sarvadhikary, Sir Deva Prasad.
Sassoon, Capt. E. V.
Schamnad, Mr. Mahmood.
Sinha, Beohar Raghubir.
Subrahmanayam, Mr. C. S.
Venkatapatiraju, Mr. B.
Willson, Mr. W. S. J.

NOES—45.

Abdul Quadir, Maulvi.
Abdul Rahim Khan, Mr.
Ashan Khan, Mr. M.
Aiyer, Sir P. S. Sivaswamy.
Ayyangar, Mr. M. G. M.
Bagde, Mr. K. G.
Barodawalla, Mr. S. K.
Barua, Mr. D. C.
Bishambhar Nath, Mr.
Bradley-Birt, Mr. F. B.
Bridge, Mr. G.
Burdon, Mr. E.
Cubell, Mr. W. H. L.
Cotelingam, Mr. J. P.
Dalal, Sardar B. A.
Das, Babu B. S.
Gajjan Singh, Sardar Bahadur.
Gidney, Lieut.-Col. H. A. J.
Ginwala, Mr. P. P.
Gour, Dr. H. S.
Gulab Singh, Sardar.
Haigh, Mr. P. B.
Holme, Mr. H. E.

Hussanally, Mr. W. M.
Ikramullah Khan, Raja Mohd.
Jejeebhoy, Sir Jamsetjee.
Kamat, Mr. B. S.
Lindsay, Mr. Darcy.
Man Singh, Bhai.
Misra, Mr. B. N.
Moir, Mr. T. E.
Muhammad Hussain, Mr. T.
Muhammad Ismail, Mr. S.
Mukherjee, Mr. J. N.
Ramji, Mr. Manmohandas.
Reddi, Mr. M. K.
Samarth, Mr. N. M.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Mr.
Shahab ud Din, Chaudhri.
Sinha, Babu L. P.
Spence, Mr. R. A.
Townsend, Mr. C. A. H.
Vishindas, Mr. H.
Webb, Sir Montagu.

The motion was negatived.

Mr. P. P. Ginwala: I move :

"That the demand under the sub-head 'Legislative Assembly' be reduced by Rs. 100."

Sir, in moving this reduction I wish to draw attention to two or three outstanding facts. First of all, I will draw the attention of the Assembly itself to the fact that in these last $3\frac{1}{2}$ days we have gone through five demands, and that in the remaining $2\frac{1}{2}$ days we have 60 odd demands to deal with. If we go on at this rate I fear that at 5 o'clock on the last day the President will find that the whole burden of the Assembly will be thrown on himself of moving one demand after another until all the demands are finished. Now, Sir, the Assembly this morning showed rather a close-fisted patriotism in regard to money; but I think that if it had got close-fisted with regard to the use of our time when these demands are being discussed, there would be more national economy in the end. I know that this is the most unsuitable day for me of all the days in the

year, for making remarks of this description because on this day the General Administration demand comes on and I have to make three or four speeches. But I have limited myself to my ordinary proportion for there are 710 amendments on the notice-paper and if we divide that by 143 you get 5 and I have given notice exactly of 5 amendments. I may draw the attention of Honourable Members to the fact that there are important questions coming up even to-day on the General Administration demand, and if we do not perform our duty of speaking so strenuously we might be able to further the ends we have in view much better.

The second thing to which I wish to draw the attention of the Assembly and of the public at large is the fact that though I am guilty of drawing a motor car allowance I have attended practically every meeting of the Assembly from the beginning and I propose to do so to the end. There are a number of Members of this House who have not put in even one appearance, not only this Session but for two Sessions. It is imperative for the public to know, especially on the eve of the elections, how they have been treated by their representatives whom they have sent up to this House. I leave the matter at that.

The third point is that I want to know from the Honourable the Law Member how the position stands in regard to the separation of establishments. This question was raised by me during the last budget discussion in which I raised the point that the President should have a separate establishment, a separate Secretariat, and my friend, Mr. Subrahmanayam, brought up a Resolution to that effect during the Simla Session. The temperature of the Assembly, however, got so high then that we thought it best to adjourn further debate until, as the Law Member stated, the Incheape Committee had sent in its report. The Incheape Committee has come and gone, the report has been published, and I believe the Honourable the Law Member then gave us an undertaking that if this principle was accepted and if it did not involve any extra expenditure, he would be in favour of giving effect to it. And if I recollect rightly, Sir, you also admitted that the principle was a good one and that when the time came it should be given effect to. I would like to know from the Honourable the Law Member now, since the Incheape Committee have already recommended a reduction of one lakh and some odd thousand rupees in the Legislative Department, whether he is in a position to carry out this principle, which in substance was accepted by the Assembly on more than one occasion. I move my amendment.

The Honourable Dr. Mian Sir Muhammad Shafi: Sir, my Honourable friend, Mr. Ginnwala, has referred to three points during the course of his speech. In so far as the first two points are concerned, I do not think that either he or the House expect any observations from me upon those points. With regard to the third point mentioned by him he has called upon me to make a statement as to the position at this moment with regard to a separate establishment for this House. Well, Sir, if I may venture to correct him in regard to one statement which he made, I would point out that in the debate which took place on Mr. Subrahmanayam's Resolution in connection with this matter, my predecessor the Honourable Dr. Tej Bahadur Sapru did not give the undertaking that my learned friend mentioned in his speech. What he did say was that as a matter of principle he was in sympathy with the theoretical proposition enunciated in that Resolution; but when coming to the practical aspect of the question, he pointed out that the proposal would undoubtedly involve additional expenditure and mentioned that in view of the fact that the Incheape

[Dr. Mian Sir Muhammad Shafi.]

Committee was going to inquire into the expenditure of the Government of India in all their Departments, it would be wiser on the part of the House to postpone a discussion of this matter until after the Incheape Committee had reported. It was in view of the advice, if I may so characterize it, given by my predecessor that the House adjourned the discussion on this matter. Honourable Members will remember that in his speech on that occasion Dr. Tej Bahadur Sapru pointed out that the work in his Department was so voluminous that the staff at present employed in the Secretariat of the Legislative Department was just sufficient to cope with that work and that the proposal put forward by my Honourable friend, Mr. Subrahmanayam, that the existing staff in that Department could be apportioned between the establishment which he was advocating and the Department itself was not at all feasible. Now, my short experience of a little over two months compels me to endorse that particular statement made by Sir Tej Bahadur Sapru in this House to its fullest extent. It therefore follows that a separate establishment will mean additional expense. Now Honourable Members will have noticed that the Incheape Committee in their Report have said nothing one way or the other about a separate establishment for the Legislative Assembly.

Sir Deva Prasad Sarvadhikary: But they proposed a cut in your Department.

The Honourable Dr. Mian Sir Muhammad Shafi: That is only one Additional Deputy Secretary and one of the three Solicitors. They realized, I have no doubt, that the work in the Legislative Department was so heavy that the staff of that Department was really barely enough to cope with it, and therefore their recommendations are as I have mentioned just now only those two recommendations. Well, Sir, I understand that the matter was discussed before the Incheape Committee, but they left it alone. The only inference that I can draw from that fact is that, without incurring additional expenditure, the Incheape Committee realized that such an undertaking could not be made by the Government of India. That is exactly the position at present. I myself have not had time to look into this matter, to examine what the exact position will be if the proposal for a separate establishment is actually carried out. I am sure Honourable Members realize that soon after I assumed charge of the Law Membership, came the Legislative Council Session, and that the Department has been so busy in connection with various matters concerning the Legislative session that, so far as I am concerned, I had no time to examine this matter. Sir, in the few observations which you were pleased to make when this matter was last discussed this is what you observed, if I may venture to quote from what you said on that occasion:

"I should have been glad to have on the records of the Assembly the explicit judgment of the House in favour of a separate establishment; but the reasons given by the Honourable the Law Member for the postponement of the consideration of that proposal seems to me to be cogent, and, therefore, I think the course which Mr. Rangachariar proposes is reasonable and proper. The only thing that makes me regret that we should have to adopt that course is that the next time we take up this subject we may have to deal with a different Law Member."

Well, Sir, I venture to take the liberty of assuring you that although it is a different Law Member with whom you have to deal in connection with this matter, he fully realizes the difficulties of the existing situation, and, in theory, he agrees with his predecessor that the change of form which Honourable Members opposite seek to introduce is one which is

logical. I am sure the House will realize that I have not had an opportunity of examining this matter; I am not in a position just at this moment to give any undertaking on behalf of the Government of India, but I assure the House that as soon as the legislative session is over, I shall myself carefully examine the whole question, and whatever conclusions I may be able to arrive at will be carried out hereafter.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, I rise to say two words upon this matter. The one relates to the actual subject-matter, the other relates to the appeal made by my friend, Mr. Ginwala. Sir, as regards the actual question before the House, I am unable to understand why there should be any difficulty in dividing the Department into two Branches and placing one under your control. Sir, I take it that the work is being done by the Department, both as regards the Executive Branch of it and as regards the Legislative Branch of it. If the work is being done by a number of people pooled together, looking into the work from these two standpoints, it should be an easy thing to divide the work among a certain number of clerks and the Superintendents, and to place one set of clerks and certain Superintendents under the control of the President, so that there may be no mixing up of the two classes of work, and I think that that ought to have been done long ago; I am rather surprised to hear from the Honourable the Law Member that he has not been able to give time to the consideration of a subject which was moved a year ago and upon which I think the House expressed fully and clearly its sentiments. So, Sir, I hope that before long he will take into careful consideration the desirability of dividing the two Departments. Sir, upon the other matter I hope my friends in this part of the House will pardon my saying a few words. We have got very important things coming up. I do not object to Members placing their views before the House, and putting them to the vote, but if we would put some restraint upon our speeches, I think we will be able to make a great deal more progress than we have been able to do hitherto. It is absolutely necessary that some of the very important matters which are coming on hereafter should also be placed before the House. If we go on at the rate at which we have been going on this morning and since yesterday, the result will be that a large number of important subjects will have to be given up, and they will be put *en bloc* by the President, and there will be no discussion whatever; we have got only six days—I think we ought to have longer time,—and I hope the Honourable the Leader of the House will hereafter consider the desirability of giving us more days. There are some Members on this side of the House who say that they ought to have longer time, and I agree with them. It has been decided that we shall have time only up to Saturday, and the question before us is,—are we going to have the same kind of consideration given to very unimportant matter as we have been doing hitherto, and leaving altogether to chance, when the time comes for the closure being applied, of important matters being put *en bloc* to vote? Are we prepared to contemplate a contingency of that kind? I appeal to my friends to put some restraint upon themselves in speaking upon the various matters that may come up.

The Honourable Dr. Mian Sir Muhammad Shafi: Sir, I should like, with your permission, to make one observation. My respected friend, the Honourable Mr. Seshagiri Ayyar, expressed his surprise that I had not had time to look into this matter. May I remind him that I was not a Member of this House when the discussion on Mr. Subrahmanayam's Resolution took place. I was not even present.

Mr. T. V. Seshagiri Ayyar: I spoke of the Law Member, not of Sir Tej Bahadur Sapru or Sir Muhammad Shafi.

The Honourable Dr. Mian Sir Muhammad Shafi: And it was not until notice of this motion, which is now before the House, was received in the Department that I had an opportunity of looking into the literature connected with this matter. Before that, having assumed charge of the office only recently, I naturally did not know anything.

Mr. President: On that point, an attack should not be made on the Law Member but on me. I gave two undertakings to the Assembly,—the first, this time last year and the second, in September. Nothing has been done in this matter because, on a preliminary examination, it became clear to myself and to Sir Tej Bahadur Sapru, the then Law Member, that if any action were taken, it would inevitably create an additional charge on the revenues of the country and neither he nor I were prepared to make any proposals of that kind at that time. I will now add a further undertaking to what has been said by the Honourable the Law Member, that before the Assembly meets again for its final session in Simla in July, we shall examine the question in greater detail than we have hitherto done, and I hope we shall be in a position to place specific proposals before the Legislative Assembly, and possibly, I may inform Members, they may include the placing of similar proposals, linked proposals, before the other Chamber, so that when the time comes, if there is an improvement of our finances, and money is available for the purpose, these proposals may be put into operation at once. I think the Honourable the Law Member, like myself, has accepted the principle that it is desirable that the Indian Legislature should have a separate establishment of its own.

Mr. P. P. Ginwala: Sir, I beg leave to withdraw my motion (No. 246).

Mr. B. S. Kamat (Bombay Central Division: Non-Muhammadian Kural): Sir, while we are discussing the question of a separate establishment, incidentally, I wish to invite attention of the Members to a want which I, at any rate, have been feeling, namely, the want of newspapers in the reading room of the Honourable Members of this House. I believe, Sir, that legislators while they are in session should be in daily touch with the press and the public opinion of the whole country; it is a necessity that there should be on the table of the reading room newspapers from all parts of the country if we are to formulate our opinion here after taking into consideration the views of various people. To illustrate my point, I may mention I noticed, for instance, in a Bombay paper—I mean the "*Times of India*"—various valuable articles recently on the Budget, regarding the salt duty and on Waziristan or Kenya. If these newspapers are on the reading room table, I do think Members will read such articles and then come to a mature judgment about these questions. I think also that there is a way to meet this convenience without any additional burden on the tax-payer. We have effected this morning a saving of Rs. 10,000 from the daily allowance of Members regarding the 7 days prior to and subsequent to the departure of Members. If we devote a portion of that Rs. 10,000 to the purchase of newspapers while Members are in Sessions here, I believe it will meet a great convenience and also help the deliberations of this Assembly.

Sir Deva Prasad Sarvadhikary: Sir, from the point of view that you have been pleased to suggest and which the Honourable the Law Member

has also suggested with regard to the proposed division of establishment, I wish to bring to your attention for consideration the need of seeing that the establishment should not only be self-contained but should have full work during 12 months. This is necessary not only from the financial point of view but also from office management point of view which cannot be overlooked in this connection.

The motion was, by leave of the Assembly, withdrawn.

The Honourable Dr. Mian Sir Muhammad Shafi: Sir, may I be permitted to say that we will take note of the request made by Mr. Kamat and see what can be done in that connection.

Council of State—Travelling Allowance.

Rao Bahadur T. Rangachariar: I much regret, Sir, that I have to make this motion in this House, but under the constitution as it is, the other House has no vote on the Demands, and, therefore, it is for this House to express its opinion. I move, Sir:

“That the provision for Travelling Allowance under the sub-head ‘Council of State’ (page 38) be reduced by Rs. 30,000.”

Rs. 30,000 is a mere rough guess, but whatever the figure may be, the principle which I wish to emphasise is this, and I hope the Honourable the Finance Member will take note of it for other people. Here in an extravagant scale people are allowed one whole compartment to travel all about the country. I do not know if it is the practice in any other country. Four first class ticket charges are allowed not only to Members of the Council of State but to other officers who are called first class officers. I do not know what they are. But I have seen them occupying a whole compartment to the prejudice of the public and to the prejudice of the tax-payer. I hope my Honourable friends in the other House will not take offence at this motion which I am making, but I do think it is not necessary to provide a whole compartment for Members to travel about. They must mix with people. You come across friends while travelling, and make friendship sometimes everlasting friendship and sometimes otherwise. But, be that as it may, I think the travelling allowance may be cut down conveniently, and I hope, Sir, that it will be accepted by the House.

The Honourable Dr. Mian Sir Muhammad Shafi: Sir, in connection with the motion made by my Honourable friend Mr. Rangachariar, I venture to appeal to the sense of delicacy of Honourable Members opposite. I venture to suggest to them that it is, to say the least inadvisable for this House on its own motion to cut down the privilege at present enjoyed by the members of the other House. (*Rao Bahadur T. Rangachariar:* “Nothing wrong in it. We attack no less a person than His Excellency the Viceroy.”) I do not know whether such a proposal as this is calculated to promote that spirit of good-will and co-operation which ought to exist between the two Houses. What the Government propose to do in this connection is that they will place before the other House a motion for revision of the rules in this connection and if the other House agrees, Government will carry out the decision accordingly. But in any case Government propose to take away this privilege from the official Members. I think the House would be well advised to leave this matter at that.

Rao Bahadur T. Rangachariar: On that assurance, Sir, I withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

Dr. H. S. Gour: Sir, by a curious coincidence I had also given notice of a similar Resolution*, and I should like to justify the notice I gave with reference to a few facts not adverted to by the Honourable Mover of the last motion. Honourable Members will recall that a motion was brought forward before this House in the first year of its life for equality of status and treatment between the Members of the two Houses, and Honourable Members will also recall, that the Resolution was passed by the vote of this House. Now, equality of treatment and status requires that in the matter of travelling allowance, there must be equality. (*Mr. R. A. Spence:* "Also in voting on the Budget.") Consequently . . .

Mr. President: Does the Honourable Member raise the same question?

Dr. H. S. Gour: It is for reduction by Rs. 20,000.

Mr. President: It is the same question which Mr. Rangachariar withdrew on the assurance of the Honourable the Law Member. I think in view of that fact and in view of the fact that we have reached that stage at which we should economise time, I think it better that the Honourable Member should let the matter stand where it is.

(*Cries of "Withdraw, withdraw."*)

The motion was, by leave of the Assembly, withdrawn.

Rao Bahadur T. Rangachariar: Sir, this is only the matter which we passed for ourselves as regards one week's stay before and one week's stay after. On the same assurance, I am prepared to withdraw this motion (No. 240)†.

The Honourable Dr. Mian Sir Muhammad Shafi: I am prepared to give the same assurance.

The motion was, by leave of the Assembly, withdrawn.

Council of State—Conveyance Allowance.

Rao Bahadur C. S. Subrahmanayam: Sir, I move:

"That the provision for Haulage of motor car and Conveyance Allowance under the sub-head 'Council of State' (page 38) be reduced by Rs. 25,000."

Mr. President: Before the Honourable Member embarks on arguments, I must warn him and the rest of the Assembly that though they are entitled to a decision on the question, I fail to see the difference between a motor car owned by a Member of the Council of State and a motor car owned by a Member of the Legislative Assembly. Therefore, I think the House must come to a decision on the point without further argument.

Rao Bahadur C. S. Subrahmanayam: Am I to understand, Sir, that I should not make a few remarks?

* "That the provision of Rs. 80,000 for Travelling Allowance of official and non-official Members under sub-head 'Council of State' be reduced by Rs. 20,000."

† "That the provision for Daily Allowance under the sub-head 'Council of State' (page 38) be reduced by Rs. 30,000."

Mr. President: The Honourable Member may be more ingenious than I am. The difference is not between a Member of the Council of State and a Member of the Legislative Assembly, but between the cars that they own.

Rao Bahadur C. S. Subrahmanayam: Am I to understand that I cannot speak?

Mr. President: I will wait and see what the Honourable Member proposes to say.

(*Cries of: "Withdraw, withdraw."*)

Rao Bahadur C. S. Subrahmanayam: Whatever may be the cries of "withdraw", which cannot terrify me, just as the vote of the Assembly on the Haulage allowance of Members of the Assembly has not terrified me, they have simply shown that Members cannot think aright when their own interests are concerned and that they can think very severely and very stringently when the rights of officials are concerned. I find that if it is an allowance for an official, say a motor car allowance for an official of the Council of State, it is said that he ought not to get it. But I cannot understand how it makes any difference. What is the special merit of the work or the quality of the work which a non-official Member does as distinguished from the quality of work which an official Member in this Assembly does. After all what are the arguments which were put against it? They said we want a car to go about and visit the ruins of Delhi. The only business on which we are here is to attend the Legislative Assembly.

Mr. President: The Honourable Member is repeating the speeches that were made before.

Rao Bahadur C. S. Subrahmanayam: It was said they wanted a car for going about Delhi, never mentioning the object for which the car was needed, namely, to come to the Assembly and go back to our quarters. To that extent any allowance which is given is relevant.

Dr. H. S. Gour: I rise to a point of order after the ruling from the Chair

Rao Bahadur C. S. Subrahmanayam: By interrupting me you are not going to effect an economy of time

Mr. President: Order, order. Dr. Gour.

Dr. H. S. Gour: Sir, I rise to a point of order. So far as I can see, in spite of the ruling of the Chair, my friend in his motion is repeating himself. He takes the risk of other Members striving to reply to him in case he is allowed to go on.

Mr. President: The Honourable Member need not usurp the functions of the Chair.

Rao Bahadur C. S. Subrahmanayam: I thought just as much; the Chair was quite competent to take care of itself. I feel considerably strengthened in the view I have taken that this motor car allowance is an illogical and unreasonable one by the number of votes I was able to secure in support of my motion.

Mr. President: The Honourable Member knows that he is out of order. Does he wish to proceed? He can move the motion and ask for a decision on it, but it is impossible for him to make a speech without repeating previous arguments.

Rao Bahadur C. S. Subrahmanayam: The rule, are unreasonable. Some people living in Metcalfe House alongside the Council of State are allowed this privilege. Why should it be allowed?

Mr. President: I cannot allow the Honourable Member to continue. If I allow him to continue, I must allow others to do the same. I will put the question and take the decision on it.

The question is:

"That the provision for Haulage of motor car and Conveyance Allowance under the sub-head 'Council of State' be reduced by Rs. 25,000."

The motion was negatived.

Mr. President: Mr. Sarfaraz Hussain Khan. The Honourable Member's amendment:

"That the provision for Travelling Allowances of official and non-official Members under sub-head 'Legislative Bodies' be reduced by Rs. 25,000."

is the same question as the previous one. The Honourable Member will remember that Mr. Rangachariar moved a reduction of a similar kind and that the Leader of the House met him on that point saying that the question would be considered, whereupon it was withdrawn. Does not that satisfy the Honourable Member?

Khan Bahadur Sarfaraz Hussain Khan (Tirhut Division: Muhammadan): What I mean is that in 1922-23 the grant was Rs. 95,960 and this year, 1923-24, it is Rs. 1,20,000. If I am satisfied in regard to the figures I shall withdraw my motion.

Mr. President: More Members of the Assembly are expected to travel.

Khan Bahadur Sarfaraz Hussain Khan: Why?

Mr. President: More Members are expected to attend the sittings of the Assembly!

The Honourable Sir Basil Blackett (Finance Member): Sir, the estimate is based on the latest available details of actual results this year. I have not got them before me, but the figure is based on the experience of the last year. We thought it necessary to make a slight increase in the light of that experience.

(Honourable Members: "Withdraw".)

Mr. President: That takes us down to the end of the Legislative Bodies. I think we had better adjourn.

The Assembly then adjourned for Lunch till Twenty-Five Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty-Five Minutes to Three of the Clock. Mr. President was in the Chair.

Foreign and Political Department—Pay of Officers.

Dr. Nand Lal: My motion runs as follows:

"That the provisions for pay of officers under the sub-head 'Foreign and Political Department' be reduced by Rs. 1,000."

I recognise that the Government of India really means to give training to Indians in various important Departments, but, while conceding that, I feel constrained to submit before this House that they have not very seriously taken any effective step to initiate Indians into the Foreign Department, because my examination of the whole question leads me to believe that the Indian element in this Department is comparatively small, and I would like to suggest that the Government of India will kindly see their way so that Indian grievances in regard to this question particularly may be attended to at the earliest possible date. Sir, I admit that the officers, who are working in the Foreign and Political Department are those who have got great experience and they are such as are really capable of holding that responsible post or those responsible posts in that Department. But, when I go to the budget and I compare it with the expenditure of that Department in 1913-14 and then to subsequent years, then I feel shocked to observe that there is a tremendous and uncalled for increase in it, namely, in the expenditure. And, with a view to support my arguments, Sir, may I invite your kind attention to the opinion which is embodied in the Report of the Indian Retrenchment Committee? One of the Honourable Members wanted to know the page—the page is 129. Sir, in 1913-14, the actual expenditure was Rs. 7,16,900. In 1921-22 it rose, so far as the revised estimate goes, to Rs. 10,40,500. And, again, we find an uncalled for rise when we come to the year 1922-23. What do we find there, Sir? The budget estimate says Rs. 10,12,900. When we come to the year 1923-24, there, of course, we find that the demand is a little less than that which was asked for last year, that is the demand for next year amounts to Rs. 10,36,200. Now, Sir, I submit before this House that they will kindly compare these figures; compare the figure which is demanded for next year with that of 1913-14 and then you will agree with me that this expenditure is too much. It looks too much when we take into consideration the present financial embarrassment of our Indian Government. Then, Sir, after this, may I invite your attention to the demand, page 39? What do we find there? Secretaries—2—Rs. 4,000 a month. May I ask, why 2 Secretaries? Why not one Secretary? I should like to hear the explanation which may come forth. My submission is that one Secretary will be sufficient to cope with the work. What is the opinion of the Retrenchment Committee and what does their Report say? I am not simply making an unsupported assertion before you. I am the last person to put forward an assertion which has not got tangible support. Now let us examine the recommendation of the Retrenchment Committee. They say, on page 129:

"This Department has proposed savings of about Rs. 47,000 for 1923-24. The clerical establishment has increased from 102 before the war to 123 at the present time"

The Report has, if I mistake not and as it appears to me, proved itself a little hard on the poor clerks only. The Report did not think that there

[Dr. Nand Lal.]

are two Secretaries and if one Secretary may be asked to leave this Department and to go to another Department, and that it would effect a saving of Rs. 48,000 a year more. The learned Members of the Committee did not give consideration to that. But the number of clerks specially occupied their mind. I do not know the reason. It is best known to them. Then they say :

" We have ascertained that the ratio of clerks to receipts and issues is high and we consider that establishment should be reduced to pre-war numbers, saving a further Rs. 50,000. The expenditure in the current year's budget for contingencies, Rs. 1,64,000, includes Rs. 1,00,000 for postage and telegrams"

and so on. I am skipping over one or two lines to save the time of the House and I come to the conclusion, by which I mean the recommendation in its final shape. They say :

" The total reduction which we recommend together with the saving proposed by the department is therefore Rs. 1,47,000"

Has that recommendation been attended to? Has it been brought into practice? Perhaps the Government Benches may say: " We have already issued a statement showing the reduction in various Departments." In order to meet that anticipated answer may I invite your attention to it? There it is given " General Administration—Rs. 7,58,000 ". They have not specified any thing in connection with this Department at all, they have not given any note purporting to show that the reduction which has been recommended by the Committee has been brought into practice, or that they are going to do it in this very Department (Political and Foreign) had they made any note relating to that reduction, I would have been the last person to take even one minute of this Assembly. But since they have not done so, my fear is that perhaps the Department may go scot free which I should not like to see. With these few remarks, in the interest of economy of time I come to the conclusion which is this, that this House will give serious attention to the question which I have raised. So far as the details concerning the Indian element go, Munshi Iswar Saran, I think, will relieve me of that duty. With these remarks I submit my motion* before the House and I hope they will appreciate it.

Mr. Denys Bray (Foreign Secretary): Sir, I had expected my Honourable friend, Dr. Nand Lal, to confine his attack to the Foreign and Political Department, but he has devoted the bulk of his attack to the Incheape Committee. The Incheape Committee had very little to say against the Foreign and Political Department, and therefore it has borne the brunt of Dr. Nand Lal's attack. He asked whether we have effected the saving of Rs. 95,000 which is shown in the supplementary statement. We have. The reason why we have not been able so far to effect the full saving recommended by the Incheape Committee is that we cannot all of a sudden reduce those extra clerks for whom, I am glad to say, Dr. Nand Lal put in a word of sympathy. And I would here ask the House and those commercial Members in the House that may have vacancies in their firms to consider the claims of clerks not only in my Department but in other Departments who are shortly to be thrown forth upon the world. I myself can offer firms clerks tried and trained in the not least efficient—if my friend Munshi Iswar Saran for once will allow me to use the word—tried and trained in the not least efficient Department of the not least efficient bureaucracy in the world. Dr. Nand Lal asked why this Department has two

* " That the provision for pay of officers under sub-head ' Foreign and Political Department ' (page 39) be reduced by Rs. 1,000."

Secretaries. I feel more inclined myself to ask why there is one Department and not two in charge of these very separate affairs, foreign and political. The relation between the two is of the flimsiest. I would remind Dr. Nand Lal that the combined Foreign and Political Department has not, as other Departments have, a Member in this House or the other. Our Member is His Excellency the Viceroy to whom we cannot turn, as other Secretaries can to their Members, at all hours of the day for advice and instructions and directions.

The only other point, I think, that Dr. Nand Lal brought forward was the question of the Indianization of the Secretariat. Now, among the officers in the Secretariat there is, as a matter of fact, one Indian officer. But he is an officer of comparatively low rank, and therefore, for all practical purposes I admit that the Secretariat of the Foreign and Political Department is not Indianized. But I would ask the House to consider our difficulties. I think the House will admit that in this somewhat technical Department we cannot draw assistance from Indians in the Provincial Secretariats. The work there does not lead on to the work in the Foreign and Political Department. We are therefore thrown back upon what we call the Political Department, that is to say, the Executive officers belonging to the Foreign and Political Department. Now, Sir, up till September, 1921, the doors of the Political Department were to all intents and purposes shut to Indians. True we had had one or two distinguished exceptions, notably that very distinguished frontier officer, Sir Abdul Quayyum, who ended his days as a member of the Political Department. But that was a very rare exception. Now, in September, 1921, we opened our doors wide. We opened our doors to Indians on exactly the same terms as to Europeans. The Department was opened to Indians in the Indian Civil Service and to Indians in the Indian Army holding King's Commissions. We went a step further. We provided for Indians what we have not provided for Europeans—I had almost said a back door, but I do not like the term—a side door, a "private entree" to Indians of the Provincial service who had shown special merit. Let me take the applications we have received from Indians of the Indian Army. Since 1921 there have been two—two men with splendid records, one with a most gallant war record. But the one is in his 40th year, the other in his 43rd or 44th year; and I am a little doubtful myself whether men who have reached that age without training in a civil department are altogether suitable for admission to the Political Department. Let me now turn to the chief avenue that leads to the Indian Political Department and to the Foreign and Political Department Secretariat—the Indian Civil Service. How many applications does the House think that we have received from Indians in the Indian Civil Service for admission to the Political Department since 1921? Not one.

Mr. K. Ahmed: Did you advertise that you wanted Indians?

Mr. Denys Bray: The announcement was made, I think, in this House. I certainly have referred to it more than once myself. It was issued in the public press and it was sent forth to all Local Governments. If this House can help the Political Department and help Government in bringing forward suitable applicants from the Indian Civil Service for the Political Department, we shall be most grateful. Well, Sir, as the Army has practically failed us, as the Indian Civil Service has failed us hitherto entirely, we have been thrown back upon the Provincial Civil Services. Far be it from me to suggest that we have not secured admirable men from those admirable Services, we have admitted five already. But Provincial Service training is not training for the Secretariat, and even for the

[Mr. Denys Bray.]

executive line. Men of the proper stamp in the Provincial Services are necessarily not as plenty as blackberries. Before long the supply of really suitable men must become exhausted. Moreover, it is of paramount importance in my view that we should not continue indefinitely to confine ourselves to members of the Provincial Civil Services. For there is a great danger that Indians in the Indian Civil Service may come to look upon the Political Department as a service suitable enough for Provincial Civil Services but not quite suitable for themselves. It is therefore that I repeat again that any assistance that this House can give us in inducing Indians in the Indian Civil Service to come forward will be greatly valued. I admit that service in the Political Department is not always and everywhere attractive. We have many stations which are the reverse of attractive. I listened with some amusement yesterday to the discussion of various temperate and salubrious stations in India. I thought of Quetta—a station that I personally value very highly—I thought of Quetta where even at this time of the year I have known icicles hang by the wall, as long as myself. I thought of the barren trade route that leads from Nushki to Seistan. Not all the eloquence of Mr. Chatterjee's picture of the horrors of Khewra can come up to that. (*A Voice*: "That was a fancy picture.") The picture I draw of the Chaghai desert is not a fancy picture at all. I thought of Mekran, that howling desolation of abomination. I thought of those stations on the Persian Gulf which some of my Bombay friends probably know. (*Dr. Nand Lal*: "Is that the only reason why Indians should not be initiated?") I hesitate to follow up my Honourable friend's interruption, because I feel very strongly the force of the appeal made by my Honourable friend, Mr. Seshagiri Ayyar, for despatch of business.

Munshi Iswar Saran: An esteemed friend of mine who happens to be a Member of this Honourable House told me this morning that
 3 P.M. the discussion of this question is tiring. I have only to add another adjective and then I shall whole-heartedly agree with him, that it is tiring as well as distressing. My Honourable friend, Mr. Bray, has relieved me of the necessity of quoting any figures on the present occasion, for he says, and I hope I am doing him no injustice, in an apologetic tone that up to September, 1921, the door was shut against Indians and since then the door has been opened wide. Those of us who know how careful the Honourable Mr. Bray is in the choice of his language and how his language is not only elegant but also accurate will feel rather surprised that he should call this opening to be a wide opening. Now, we are told that the reason why there are only 5 or 6 Indians in the Foreign and Political Department is that suitable Indian candidates from the Army and the Civil Service are not forthcoming. Sir, this statement is something about which it is very difficult for me to express any opinion as I have no personal knowledge on the subject. By his remarks Mr. Bray wanted to create the impression that the members of the Indian Civil Service or of the Army are not forthcoming—I mean the Indian members—because of those horrible places where they might be posted. But he has forgotten to mention that there are so many attractions in the Political and Foreign Department. What about the Residents of Kashmir and what about the Residents of other equally good places where you can combine pleasure with business to a most perfect degree? Are there not those attractions before them, and are the Indian members of the Indian Civil Service and the Indian officers of the Indian Army so dense, or so unimaginative as not to know the prizes that they can win if they enter this Department? Sir,

I do not wish to question for a moment the statement made by my Honourable friend, Mr. Bray, but I must confess that I do not feel convinced that the sole and only reason why since 1921 only 5 or 6 Indian officers have been taken into this Department is that many candidates have not been forthcoming.

Mr. Denys Bray: May I interrupt? If I gave my Honourable friend, Munshi Iswar Saran, the impression that there has been any lack of applications from the Provincial Civil Services I was in great error.

Munshi Iswar Saran: I must have been very unfortunate in the choice of my language if I created the impression that there was any dearth of applications from members of the Provincial Civil Services. Mr. Bray made it perfectly clear and I understood him thoroughly. What he complains of is that the Indian members of the Indian Civil Service and the Indian officers of the British Army have not been sending up applications for being taken into this Department. Sir, as I said before, I do not feel convinced by Mr. Bray's explanation that the sole reason why you find so few Indians in this Department is the reason assigned by him. Here is an argument brought forward which at its face value seems to be forceful, but I have some suspicion in my own mind that this is not the sole and only reason of the fact that there are only a few Indians in this service. When I talk of Indians I do mean Indians of all classes, be they Indians or be they Anglo-Indians, be they Hindus or be they Muhammadans—they are all entitled to have their share in the Foreign and Political Department. I hope that some explanation which will convince and satisfy the House will be forthcoming next year and I hope that it will be the good fortune of Mr. Bray to get up in this House and say that the number has increased a very great deal. There can be no doubt that there exists and I hope Government will make a note of it, a great feeling of dissatisfaction in this House as regards the shortness of the number of Indians in the Foreign and Political Department.

There is another reason why I gave notice of the motion standing in my name and it is that I wish to ask this House to consider the question whether the attitude taken and the remarks made by the representative of the Foreign and Political Department in the other Chamber does not necessitate a protest and a very strong protest from the Members of this Assembly. And I wish, Sir, with your permission to refer to that. It will be in the recollection of the House that the Princes Protection Bill was thrown out by us. The question whether that was a wise step or was an unwise step is one with which I am not concerned at this moment. We all know that under the certificate of His Excellency the Governor General this Bill was introduced in the other Chamber and while introducing this Bill and whilst speaking on this question the representative of the Foreign and Political Department permitted himself to make these observations about this House. I shall, Sir, read a few lines from that:

"Surely, Sir, a Bill that comes before either Chamber of the Legislature with credentials of this nature is one which deserves the most earnest and the most serious consideration. And what is the answer that the Legislative Assembly have given? I am willing to believe that when they gave that answer they did not realize all that it implied. But, taken at its face value what does that answer mean? They refused to allow this Bill within the precincts of their House; they have flung it back practically in the face of the Government of India; they have told the head of that Government that his ideas about the interpretation of contracts, his ideas on the subject of honour are less than dust in the balance."

I shall beg the House to carefully mark the following words.

Mr. Denys Bray: On a point of order, Sir. Is this really relevant?

Mr. President: This is a vote for the Foreign and Political Department and under the arrangement come to,—I would not call it a ruling,—between the Chair and the Honourable the Home Member the action of the Foreign and Political Department is under review. I was waiting to see whether the Honourable Member would remain in order. I admit that he is getting near the border.

Munshi Iswar Saran: I shall keep on the right side, Sir.

"But what is more than this is that their decision at its face value means that in their view, contracts and treaties have no meaning, that honour is a plea that they will not discuss and that they recognise none of the agreements which have been concluded by the Executive Government of this country. Surely, Sir, that brings us to the edge of an abyss, and it is only the feeling that the Assembly did not really realize what their action implied that makes it possible for us to take a more optimistic view of the situation than we might otherwise have been able to do."

Sir, not only non-official Members of the other House took exception to these remarks but I am very glad to say that on that occasion the then Home Member raised his voice of protest and this is what he said:

"Sir, I should like to say at the outset that I do not take the same view as the Honourable Mr. Thompson took of the action of the Legislative Assembly in respect to this Bill. I do not believe and I have every authority for what I am saying that they ever intended in any way to flout His Excellency. I do not think that the suggestion that the honour of the Government of India or the honour of the Viceroy has not weighed with them as dust in the balance is correct."

And then he says:

"I believe that the Assembly acted unwisely (a matter of opinion and I join issue with the then Home Member on this question) in rejecting the motion for introduction and I believe that that feeling is shared by many here. But I feel with Mr. Kale that it is neither fair to them to criticise them in the manner adopted, nor do I think it will do this House or the Government any good. I cannot believe that remarks made here in antagonism to the other House can produce good results. I agree that we have been forced by the action of the Assembly into a very unfortunate position."

Mr. President: I agree that it is difficult to say whether the Honourable the Home Member was talking of the Political Secretary in his capacity as Political Secretary or a Member of the Council of State. I think the Honourable Member must now come more particularly to the vote to be given to the Foreign and Political Department in the forthcoming year.

Munshi Iswar Saran: I will make one submission, Sir, in regard to this. Mr. Thompson occupies a seat in the Council of State not in his individual capacity. Mr. Thompson occupies a seat in the other House as the representative of the Foreign and Political Department. Any remarks that are made for instance by the Honourable the Home Member here are made by him not, as Sir Malcolm Hailey but as the Honourable the Home Member. So, I submit, with great respect, that Mr. Thompson, when he made these remarks, made them as the representative of the Foreign and Political Department and it is this view I take it that Sir William Vincent took of those remarks. Sir, there were other Members as I have already said who raised their voice of protest, but I need not refer to them owing to the exigencies of our business. What I beg to say here in most clear and most emphatic language is this, that if

is up to this House to enter the strongest protest against the remarks made by the Political Secretary on that occasion. There may be difference of opinion as regards the attitude adopted by this House towards the Princes Protection Bill, but I venture to hope and sincerely trust that there will be no difference of opinion between the various sections in this House that the dignity and the honour of this Assembly should be kept intact and that no official should take advantage of his position and attack us in the manner in which a responsible official of the Government of India has done in the other House. I submit, Sir, that it is up to us by our vote to show that we strongly resent these remarks and indignantly repudiate them and that the Political Secretary should not have attacked us behind our backs. If he wishes to attack us or for the matter of that any other official wishes to attack us, he should do so on the floor of this House.

Chaudhri Shahab-ud-Din (East Central Punjab: Muhammadan): Are we not doing the same here?

Munshi Iswar Saran: You are forgetting that the Foreign and Political Department is represented here by my Honourable friend Mr. Bray. You forget that the Indian Legislative Assembly is not represented by anybody there.

Chaudhri Shahab-ud-Din: For whom did Sir William Vincent speak?

Mr. President: My Honourable friend must be aware from these interruptions, that he is leading the debate into a dangerous course. I must ask him to desist now and come to the subject of the vote.

Munshi Iswar Saran: I shall say only one word in regard to the interruption of my Honourable friend, Chaudhri Shahab-ud-Din. He seems to be awfully simple; he imagines that some one in that House represents the Assembly. The Honourable the Home Member does not represent there the Legislative Assembly; that is a fact which he ought to understand.

Before I close my remarks, I say with all the earnestness that I can command, that it is up to this House by its vote to-day to show that it will stand no nonsense of this character and no accusation of this character from anybody, be he the Political Secretary or be he even a higher personage.

The Honourable Sir Malcolm Hailey: I really do not believe that the House wishes to be led by Mr. Iswar Saran into a discussion on the merits of the speech delivered by a Member of the Council of State. I do not think that it could really desire by a vote given here to canvass a matter which we all know closed last summer. The interruptions which occurred in the course of his speech showed very clearly to me that Munshi Iswar Saran had been led by the fervour of his advocacy into using expressions which were likely in the long run to do little good to the relations between this House and that. Now, let me take his proposition. He proposes this motion for reduction on the ground that Mr. Thompson represented only the Foreign and Political Department in the Council of State. But Mr. Thompson, however he comes into the Council of State, is just as much a Member of that body as I am, however I come to this Assembly, a Member of this House. As a Member of that body he is entitled to the same rights of free debate as

[Sir Malcolm Hailey.]

any other Member of the Council of State. You cannot give him a dual personality and when what he says pleases you say that he is a Member of the Council, and when it displeases you, say that he is speaking only as a Government official, and is not entitled to the protection which ought to be extended by one House to views expressed in another. Let me go a little further. On that occasion the criticisms delivered by Mr. Thompson regarding the action taken by this House, into the merits of which I do not desire to enter here, were deprecated by Sir William Vincent. Did he do so as a Government officer or did he do so as a Member of this House? Of course he did so entirely as a Member of this House; he, more than anyone else, was affected by the manner in which the Bill was treated in this House, but he thought nevertheless that in the circumstances it was necessary to deprecate any attack on this House or suggestions as to its motives in refusing introduction of the Bill. But his protest was not (like that of Mr. Iswar Saran) against the Department, but against criticisms of the House by a Member of another.

Sir, we all value our position in this Assembly. We come here partly as Government Members to represent the Government view; but while retaining that position we have tried to identify ourselves with our colleagues in the Assembly, just as Government Members in the Council of State do try to identify themselves with the other Members of that body. I deprecate strongly the suggestion that we should, in speaking in either branch of the Legislature, be treated as though we need a position apart from other Members, and we ought, if we have to advert to action taken in another House, to be treated in the same way as non-official Members and not as officers of this or that Department. I agree, of course, that we ought also to follow the general conventions regarding criticism of one body by another. Now, Sir, I would only say I have heard Mr. Iswar Saran himself at times criticise the Council of State; I have heard from other Members of this House descriptions of the Council of State which I was a little sorry afterwards to see in print. Every time I have heard those criticisms, sometimes slighting, I have deprecated them. I hold that it is in the best interests of either body that it should not attack the other, either in the mass or as individuals. (Hear, hear.)

Munshi Iswar Saran: On a point of personal explanation, Sir, I wish to know if ever I have said that the other House did not pay due regard to questions of honour, etc., as did Mr. Thompson in the other House?

The Honourable Sir Malcolm Hailey: I do not know why he should ask that question from me. I did not put it to him that he had ever said so. I said I had heard him criticise.

Munshi Iswar Saran: Criticism is another matter.

Mr. President: The question is:

"That the provision for pay of officers under the sub-head 'Foreign and Political Department' be reduced by Rs. 1,000."

The motion was negatived.

Rao Bahadur T. Rangachariar : I move:

"That the provision for Establishment under the sub-head 'Foreign and Political Department' be reduced by Rs. 100."

I framed this motion, Sir, as a protest against the way in which the Foreign and Political Department have behaved in three most important matters. First of all, Sir, in depriving this House of its privilege of voting supplies. In the second place, Sir, in attempting to place us in opposition to Princes of the Realm. In the third place, Sir, in their entire poverty of talent in finding Indians to fill the Foreign and Political Department. Sir, if Honourable Members will turn to page 281, they will find a footnote on an important fact, a political event of great importance, probably a historical event, concealed in a footnote; and this Assembly is taken into its confidence by way of a footnote. Honourable Members will remember that for the last two years we have been discussing the administration of the Bangalore Assigned Tracts, a small area which has been entrusted to His Majesty's Government by the Mysore Darbar. And year after year, in 1921 and 1922 this House examined the demands made and scrutinized the demands made on behalf of that small district. And now, Sir, Honourable Members will find that it "has been decided that the expenditure in the Bangalore Assigned Tracts should be treated as non-voted." What an easy job it is to deprive Honourable Members of their privilege, the small privilege which this House enjoys in the shape of discussing grants. I wonder who is responsible for this. Of course they claim no responsibility. This House need not be consulted in a matter of such great importance! It does not matter whether the people inhabiting that small district have any legitimate source through which they can ventilate their grievances! It does not matter whether, for instance, that small place maintains a costly police establishment! It does not matter how the revenues are extracted, how the income-tax is levied there, it does not matter how the hospitals are run there, whether private patients who resort to the hospitals are made to pay for the doctor's fees or not. Sir, these matters are now placed beyond the pale of criticism by this short foot note which you will find at page 281. Sir, I well remember, as a Member of the Standing Finance Committee, examining the proposals for revision of pay of the establishment in that small tract. We put some very inconvenient questions to the officers on the spot, as to why they maintained such a large number of police in such a small station which is no bigger than a suburb of Madras. We put inconvenient questions as to why clothing should be so largely availed of, more often than in other places, and these questions went in 1921 and 1922 to the Bangalore Administration. His mighty majesty the Resident of Bangalore became annoyed, and here comes the foot note to tell us that it has been put under the non-voted head. Is this Assembly going to allow such an important action to be unnoticed? Are we going to lend ourselves to these transactions? Are such steps to be taken without the consent of the people, without the people being informed, the people who are affected by such an action being even informed? Sir, I have a pile of grievances which I have been asked to ventilate in this House on behalf of the people of Bangalore. Sir, I am shut out altogether by this single entry. How can such an action be taken by any responsible Government I fail to see. Sir, in the next place, on what grounds have they tried to drag us into a quarrel with the mighty and noble Princes of this land? Why have they accused this Assembly of being hostile to the aspirations, to the rights and privileges of the Princes, who are our own blood, who are our own bone—far was it from our intention to put ourselves in opposition. Sir, the Princes are not to be separated from the people whom they govern. This Assembly

[**Rao Bahadur T. Rangachariar.**]

was anxious, by the vote on the Princes Protection Bill, to tell the Government "we shall not deal with these States piecemeal. If the Princes require protection, the people require protection also; and therefore we said 'don't come to us with these piecemeal measures'." Sir, the rules and the Standing Orders prevent us from putting questions about what takes place inside these territories. Sir, as many Honourable Members will bear me out, by every mail we get complaints from one Resident or other of one Native State or some other

Mr. Denys Bray: I rise to a point of order. "Indian States?"

Rao Bahadur T. Rangachariar: Yes, Sir, Indian States. I forgot for the moment; I am sorry—asking us to take up this question and that question. You will remember, Sir, you ruled me out on an interpellation which I asked permission to put to this House about what took place in Hyderabad. You rightly, Sir, did so, I do not complain; this House and the other House are prevented from indulging in questions and Resolutions about what takes place in Indian States. Sir, our plea is, if the people of those States cannot claim protection at the hands of this Assembly, the Princes of these States can no more claim protection at our hands. That was the attitude we emphasised by our votes, that was the attitude which was emphasised by the responsible Committee in which a few Members of the Government took part. That was the attitude which was maintained by the Government of India till the year 1910. It was in the year 1910 for the first time that this Bill or law was enacted in order to give them protection. Having been once put on the Statute Book, within a few years it was repealed, and in 1910 this novel piece of legislation finds a place in the Statute Book of our country,—and it is no wonder that the Committee, the responsible Committee, advised its removal. This Assembly acted on the advice of such a responsible Committee without further examination. Without anybody being taken into confidence, all of a sudden, at the fag end of the session, we were asked to sanction the introduction of a measure which we felt was a piecemeal legislation, which we felt was one we had already advised against, and at that fag end, we said, 'no, you have not appointed another Committee to re-examine the matter.' We said that not on grounds of any hostility to the Princes. They tried to drag us into a quarrel with the Princes; we have no quarrel with the Princes; the people of this country have no quarrel with the Princes; this Legislature has no quarrel with the Princes. I give this assurance on behalf of the non-official Indian Members here in this Assembly to the Princes of this land, that we were not actuated by any motive of hostility. It was a red-herring

Mr. President: The Honourable Member will see that if I allow him to say that, I shall have to allow other Members to say other things. He is in order in discussing the action of the Foreign and Political Department in relation to the matter of the Princes Protection Act, but he must keep off the territory of the Princes.

Rao Bahadur T. Rangachariar: The subject was so tempting, Sir, that I was rather drawn into it. Sir, the point which we wished to emphasise was that we were unfit to legislate for them so long as we could not discuss them. Give us the power to discuss that, and we will legislate for them. It is no use asking this Assembly merely to record a decree

passed elsewhere and to tell us that we did not observe the honour of contracts. Who made the contracts? When were the contracts published? Were they published? When were they made? By whom were they made? The way they have attempted to go in justification of the measure is rather novel procedure. Sir, the ink on the Resolution was hardly dry: when we passed our Resolution rejecting the motion on Saturday, on the Sunday morning, on the next Sabbath, comes the certification of the Bill! Up it goes to the other House, then to Parliament, and then it is passed: This is the way in which representatives of the people, a responsible Legislature, are treated. I wish to record by means of this vote our emphatic protest against the procedure adopted in respect to this Princes Protection Bill. They tied us down, they have dragged us into a quarrel with the Princes; they have not attached any importance to this Assembly. Sir, the Foreign and Political Department are responsible for that.

Sir, the third point which I wish to raise is the question of what we told to-day about the open door of the Foreign and Political Department. I wish, Sir, it were really open. May I offer a humble suggestion to the Honourable Mr. Bray? Instead of asking for applications from Army officers who hold the King's Commission, why did he not do something else? He complains very old people, people of 40 and 43, applied—you must have anticipated when you pass a rule like that, inviting applications from Army officers who hold the King's Commission, that people do not hold the King's Commission at the age of 25 in this country: and therefore that was merely a blind, merely to appear to satisfy the demand in this Assembly to throw open the Foreign and Political Department. Was it an advertisement this Assembly asked for,—to invite applications from Army officers who hold the King's Commission? Where are they to come from? Where are they? That is the question. This invitation was issued to the Indian Army officers holding the King's Commission,—and the Indian Civil Service while we know perfectly well how few are the Indians in the Indian Civil Service; you have to go all the way to England to get yourself enlisted in the Indian Civil Service. Lay down any test you want, and hold examinations here, young men will be forthcoming anxious to serve in those unhappy places that Mr. Bray mentioned. I am glad to see Mr. Denys Bray alive in this Assembly after all those unfortunate experiences. Look at his bright face, he delights this Assembly with his eloquence. One of the objects of my motion was to draw him into eloquence. Very seldom we can get him to talk, and when he gets on to his legs, we are simply charmed. Sir, here he is the product of Quetta, the product of the North-West Frontier. How is it impossible for my countrymen to also acquire those things there? Surely, the Assistants and Naib Tahsildars and others on the Frontier are Indians. There only the big appointments are held by the Civil Service. What about the other fellows who rot there along with the I. C. S. people? Surely, therefore, it is not a question of racial difficulty or racial unfitness. It is really a question of want of opportunities. Be honest, be sincere in your attempt to get Indians. Sir, have you ever walked along the corridor of the Foreign and Political Department? Have you ever glanced at the sign-boards which hang there? Sir, I have walked this side and that side and it is very difficult to find an Indian name in any of the sign-boards there. I am glad to see scattered here and there in this branch to my right some Indian names. Surely, it cannot be said, it cannot honestly be said, that Indians are not fit to enter the portals and keep company with those bright fellows whom I see sitting there working.

[Rao Bahadur T. Rangachariar.]

Sir, it is all an excuse. Let us make an honest and earnest attempt. I move my motion, Sir, as a protest against all these three points which I have mentioned.

Mr. K. O. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, Mr. Rangachariar has mentioned that the head "Bangalore" has been transferred from the votable list and has been classed as 'Political' and excluded from our vote to-day. There are two other small items which have been similarly excluded from our vote and included in the Political Department, to which I draw the attention of the House. Honourable Members will find, if they turn to Demand No. 45, adjustments with Provincial Governments, page 153, one is under Burma—Assignment towards the cost of the Burma Military Police, voted. The amount in 1922-23 was Rs. 45,74,000. Under Assam there is another item, Assignment towards the cost of Frontier Military Police, Rs. 14,00,000; and in the footnote you will find that "these assignments have been transferred to political." So, I want to reinforce the arguments which Mr. Rangachariar adduced, and I want an explanation from the Foreign and Political Department as to why this was done. Then, Sir, there is another point to which I wish to draw the attention of the House. It is to the recommendation made by the Incheape Committee regarding the increase of expenditure in the Political Department. It will be seen, if Honourable Members will turn to page 155 of the Incheape Committee's Report, that they condemn the lavish proposal of having a Legation built at Kabul at a cost of 16 lakhs of rupees. If Honourable Members will turn to page 152, they would find, moreover, that Kabul, which was responsible in 1913-14 for an expenditure of Rs. 49,000, has gone up in the matter of expenditure to Rs. 5,26,000 in 1922-23. I am perfectly aware of the important change that has been effected in the status of the representatives of the British Government at Kabul, I believe, last year or the year before. But, Sir, now that the representative of the British Government at Kabul is His Majesty's Minister, and is no longer a Resident of the Indian Political Department, it is but proper that the cost of his establishment should be borne by the British Treasury, or at least half of that cost should be borne by the British Treasury on the analogy of the Legation in Persia. Now, coming to Persia, again, we find that the Incheape Committee have pointed out that though in Persia the total Political expenditure is to be divided equally between the British Government and the Government of India according to the recommendations of the Welby Commission, there are certain items in which this division is not observed, and they urge on the Government of India the necessity of representing matters to the British Treasury in order to secure a more equitable adjustment of the financial responsibility as between the British Treasury and the Government of India. With these words, Sir, I beg to support the motion.

Mr. Denys Bray: Sir, not all the eloquence of Mr. Rangachariar will induce me to make a speech. His elaborate reference to Bangalore took me somewhat by surprise, though I must say at the outset that I have to thank Mr. Rangachariar for his courtesy and consideration in warning me beforehand of the three points that he wished to bring forward under the cover of this motion for a reduction. But I little expected to have a full dress debate on the three points. As regards Bangalore, the position is really quite simple, and I think, that if Mr. Rangachariar will carry his

memory back, he will find that he did not discuss last year, and that the House did not raise, motion after motion for a reduction in the Bangalore Demand for Grant.

Rao Bahadur T. Rangachariar: I did it in the Finance Committee.

Mr. Denys Bray: Oh, I was not there. Bangalore, strictly speaking, is not British territory at all. This would not in itself be a sufficient reason for not submitting the Demand to the vote of the Assembly. The real reason is that Bangalore finances itself, and under an arrangement made with the Mysore Durbar many years ago, the surplus, after the needs of the Civil Station have been met, is handed over to the Mysore Durbar. Hence, if this House were to spend its time in cutting down the Bangalore Demand for Grant, it would not be enriching the Central Revenues; it would in effect be voting money to the Mysore Durbar to the detriment of the development of the Station itself and against the interests of the British subjects resident there.

Rao Bahadur T. Rangachariar: Can we discuss the administration?

Mr. Denys Bray: As for the grievances that the residents of Bangalore may have, it is perfectly open to any Member of this House to ventilate them at any time.

Rao Bahadur T. Rangachariar: You have not placed the Grant before us.

Mr. Denys Bray: The Burma and Assam cases which my Honourable friend, Mr. Neogy, referred to have been settled for us over our heads by the Auditor-General. If you will turn to the Notes at the beginning of the Supplementary Statement which was placed before us, you will see it there stated. The matter is automatic. I shall most certainly not follow my Honourable friend, Mr. Rangachariar, in initiating a debate on the Indian States (Protection against Disaffection) Bill. He made a speech to-day, Sir, that he was going to make, had the House allowed the introduction of that Bill. On the subject of Indianisation, I have little to add to what I have already said. The Honourable Mr. Rangachariar has put forward a suggestion that we should open our ranks to direct competition. We may be reduced to this. If we do not get the applications from the Indian Civil Service which I still look for and hope for, then I feel pretty sure that we may have to resort to some such method as this. But I personally think it would be a great mistake, a great pity. With regard to Europeans, we recruit from the Indian Civil Service and the Indian Army. Now, the work in the Political Department is in some ways rather special. Officers—admirable officers—sometimes come to us from the provinces or the army, and find after a time that either they do not suit the work or the work does not suit them, and they go back to the Civil Service or to the Army as the case may be. And it is very advantageous both to Government and to the men themselves that there should be this asylum to which they could go. But under the system Mr. Rangachariar proposes there would be no such asylum. If we had a bad bargain, we would have to keep him; and similarly if a man found that we were a bad bargain, he would have to keep us.

Mr. J. Chaudhuri (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): I rise to a point of order with regard to that. I raised the question yesterday whether it was competent for the Government of

[Mr. J. Chaudhuri.]

India or any of its departments to transfer a votable item to a non-votable item and my Honourable friend, Mr. Denys Bray, has to-day mentioned that the items to which my friend, Mr. Neogy, referred have been transferred under the orders of the Auditor-General. Now we understood that under section 67A of the Government of India Act the Governor General was entitled to transfer a votable item to a non-votable head.

Dr. H. S. Gour: No, surely not.

Mr. J. Chaudhuri: That was the contention put forward. My point of view was that unless that question was raised in this House and we expressed an opinion with regard to it, the Governor General has no power; that is, unless a question is raised and discussed in this House as to whether such a matter is or is not, it is not within the competence of the Governor General, to decide the question under section 67A, clause 4.

Mr. President: The Honourable Member is arguing a point of great constitutional and political importance which is too wide for a point of order. The terms of the Act are quite explicit. It speaks in section 67A, sub-section (2), clause (5) of "expenditure classified by the order of the Governor General in Council as:

- (a) Ecclesiastical,
- (b) Political,
- (c) Defence.

I do not find any words there, "by and with the assent of the Indian Legislature."

Mr. J. Chaudhuri (the Honourable Sir Malcolm Hailey having also risen to speak): I am putting my point and the Honourable the Home Member may then speak . . .

Mr. President: The Honourable Member asked me for a ruling on a point of order. I was pointing out to him that it is not a point of order; it is not for the Chair to settle. The matter is already, as far as I can judge, settled by the Act.

The Honourable Sir Malcolm Hailey: I wish to point out to Mr. Chaudhuri that the point he is on at present does not really arise out of the classification of the Assam Military Police expenditure as Political. That case was dealt with by the Auditor-General as one of ordinary classification of expenditure for accounts purposes and on his classifying the expenditure as Political. It automatically fell under the provision of sub-clause (5) of sub-section 3 of section 67A, which reserves political expenditure from the vote. This was a new question of accounts classification, and as no question arose such as is contemplated in sub-section (4) whether the classification was proper for the purposes of the Act, it was not referred for the views of the Governor General. That sub-section runs as follows:

"If any question arises whether any proposed appropriation of revenue or moneys does or does not relate to the above heads, the decision of the Governor-General on the question shall be final."

That is a different operation. This present case was one of a purely automatic result of a change in accounts classification regarding a particular item.

Mr. J. Chaudhuri: I think that when such a change is made on the ground that it comes under the head "Political" it should be mentioned in a note or otherwise to give us an opportunity to discuss.

Expenditure in Bangalore District—relegation to non-votable list.

Mr. T. V. Seshagiri Ayyar: Sir, the question which was raised by Mr. Rangachariar has not been answered at all by Mr. Bray or the Honourable the Leader of the House. The point is that during the last two years questions relating to expenditure in the Bangalore district were allowed to be discussed in the Standing Committee and also in the Assembly. This year we find a footnote to the effect that it is non-votable. That means that we cannot discuss it. The question on which we want to have a reply from the Leader of the House as well as from the Foreign Secretary is this. Under what authority has this expenditure which has always been open to discussion, been removed from its discussable position and been relegated to the category of non-votable expenditure? That is the point on which we want some explanation, and Mr. Bray, who spoke on this matter, has not given us any explanation. And, Sir, it has been said by the Honourable Mr. Bray that even if we reduced a portion of the expenditure, the result of it would be that the Mysore Government would get the benefit of it. The question is not what Indian Government is going to get the benefit of it, the question is whether we have a right to ventilate the grievances of the people which we have been allowed to ventilate heretofore, but which, without our consent, has been taken away from our cognisance. And that is a question on which we would like to have a fair answer from the Government Benches. Upon one other matter . . .

Mr. President: Before the Honourable Member proceeds, I think we had better deal with that point which is in the nature of a point of order. It is a point of considerable importance and somewhat difficult to elucidate.

The Honourable Sir Malcolm Hailey: I do not know whether I shall be able to elucidate the point fully to the Members of the House at such short notice, though I am the fortunate possessor of a copy of the Government of India Act while they probably have not copies before them. But may I point out the exact operation? In the first place the Act directs that the Governor General in Council shall lay the estimated annual expenditure before the Legislature in the form of a statement; it then goes on to reserve from the vote expenditure classified by the order of the Governor General in Council as Ecclesiastical, Political or Defence. This obviously refers to the primary classification, for instance, Army and Air Force as 'defence' or consular expenditure as 'political.' But there is a good deal of doubt sometimes regarding particular items, whether they should be entered in the accounts as Political or Ecclesiastical or defence. Such doubts frequently arise as a matter of ordinary accounts classification, quite apart from any effect such classification may have as a consequence of the terms of this Act. That is to say that while there is no doubt at all as to the pay of members of the ecclesiastical establishment, there might be some doubt whether, say, graveyards and their maintenance should be entered as ecclesiastical or not. Similar cases of course arise in regard to Political. I have known numerous cases of items of expenditure which are under the general control of the Political Department and which are very nearly akin to true political expenditure but about which a doubt arises as to exactly where they should be classified in the accounts. Shall we say that the Political Department has control over a certain police

[Sir Malcolm Hailey.]

force? Are we to put that down under the head police, or is it to be put down under the head Political? I am speaking here, let me repeat, of questions arising regarding classification for ordinary accounts purposes. When such a question of doubt of mere accounts classification arises, we ordinarily refer to the Auditor General; he, of course has a statutory position in regard to these matters. If the Auditor General says this particular item is undoubtedly Political, then it goes into the Political head of our accounts, and unless any question arises such as the propriety of its inclusion under that head for the purpose of this Act (and I shall deal subsequently with the method of solving such questions), it would automatically, as being under the Political head, be reserved from the vote. Now, that is what happened in the case of these two police battalions. There are I think three police battalions in Assam as the House no doubt knows. I mention the fact in order that they may have no suspicion that we are doing anything irregular in this case; they are kept there for the protection of that part of our North-Eastern frontier. Incidentally the fact that they are there saves us expenditure on military battalions in that quarter. Under the arrangement come to under the Meston Settlement, we pay for these battalions in a lump sum. Our Auditor General told us that as a matter of accounts classification they ought to go down under the head "Political." They have been entered there and it is simply because of this change in accounts classification that they are automatically excepted from the vote. There are other cases where by a change in accounts classification of a particular item it automatically comes under the vote. But, as I have said, cases sometimes arise not as a mere result of a change in accounts classification, but as the result of a question arising whether a particular item or series of items is correctly classified for purposes of 67A of the Act. Such cases may arise owing to discussions between two departments in the Secretariat; when such a definite question arises, and there is a difference of opinion, the Governor General issues an order on the subject, under sub-section (4) of section 67A, after consideration of the matter on its merits. He definitely, in other words, classifies it as "Ecclesiastical," "Political," "Defence," or otherwise. I do not think there is anything in the Act which at all

Rao Bahadur T. Rangachariar: May I point out that it must be done by the Governor General in Council?

The Honourable Sir Malcolm Hailey: I think that Mr. Rangachariar is looking at the wrong clause. Sub-section 4 says:

"If any question arises as to whether any proposed appropriation of revenue or moneys does or does not relate to the above heads, the decision of the Governor-General—*(he may trust my eyes in this matter)*—on the question shall be final."

The House will remember that there is exactly the same provision in regard to provincial items, where the decision of the Governor is final. The cases which so arise are few and far between; but I do not think the House will find anything in the Act to support Mr. Chaudhuri's contention that the question can only arise as a result of doubts expressed in the Legislature.

Mr. J. Chaudhuri: If it arises before the Governor General in Council, then the Governor General's decision will be final. If it arises out of demands, it should arise in the House and, after we have expressed our opinion, then the Governor General may decide. Our point of view is that it should not be done behind our backs and I also maintain that, if it arises between Members of his Council, the Governor General would

not be justified in deciding it behind the back of the Members of the Council. That is precisely my point.

The Honourable Sir Malcolm Hailey: Mr. Chaudhuri says, that it is undesirable to decide the question behind the back of the Legislative Assembly. But I thought that he was speaking on a point of law, and I cannot find anything in the Act myself, which says that it is essential that the Governor General's order on this particular point shall only be taken as the result of a question having arisen in the Assembly,—that was his first point. He further says that the Governor General should not take a decision of this kind in regard to a matter which has come under the consideration of the Governor General in Council behind the back of his Council. May I ask Mr. Chaudhuri in the latter case to allow the Council to look after its own interests? If a case arises in the course of the discussions between Members of the Governor General's Council, the Governor General takes his decision as a result of such discussions. Let me repeat as to the main point which he has made, that there is nothing whatever in the Act which says that the discussion of the Governor General shall not be taken on a point which has been discussed in the Assembly until the views of the Assembly have been placed before the Governor General.

Mr. J. Chaudhuri: Sir, may I point out that there are certain matters in which the House has certain privileges. With regard to
4 P.M. demands we can vote the demands and if any item under the demands is taken away from within our jurisdiction, we are entitled to raise that question. Similarly, with regard to the Governor General in Council, there are certain matters, such as Ordinances, for instance, which are within the exclusive jurisdiction of the Governor General. But there are certain other matters which are within the jurisdiction of the Governor General in Council and, if such questions as we are discussing arise in the Council of the Governor General, as it must under section 67A, clause 3 (v), and if the Home Member says that it would fall under the head "Ecclesiastical" or the Finance Member says that this should not fall under the head of "Ecclesiastical" then it will be quite competent and open to the Governor General to decide under section 67A, clause 4, whether it should or should not fall under the head "Ecclesiastical." That is my simple contention, with regard to our privileges as well.

Dr. H. S. Gour: Sir, I rise to a point of order. Lest the House should go astray from what my friend the Honourable Mr. Chaudhuri says, let me point out to the House and point out to you, Sir, that this is not the intention of section 67A of the Government of India Act. A plain reading of that section will disclose the following point . . .

Mr. J. Chaudhuri: Sir, I rise to a point of order. I asked for an answer from the Home Member and from the Government Benches,—not from Dr. Gour.

Dr. H. S. Gour: Very well, Sir, I shall rise to a point of order upon which I invite your decision,—on a substantial issue which I wish to state before this House. If you turn to 67A of the Government of India Act, paragraph 1, you will find, Sir, the genesis of the budget laid there, namely:

"The estimated annual expenditure and revenue of the Governor General in Council shall be laid in the form of a statement before both Chambers of the Indian Legislature in each year."

[Dr. H. S. Gour.]

This constitutes the proposal of the Government of India, as is clear from paragraphs 2 and 3.

Paragraph 2 says

Mr. President: That is not a point of order.

Rao Bahadur T. Rangachariar: May I mention, Sir,—I assume that there was a decision of the Governor General in Council classifying this as "Political." I protest against it. If there was no decision, I am on better ground. If there was a decision, I protest against it. That is my vote.

The Honourable Sir Malcolm Hailey: Since the point was raised by Honourable Members, I was endeavouring to explain fully the processes by which a change may be made in the classification of items presented from time to time to the Assembly. I explained the process—it is a purely automatic process—by which a change may be due to a purely accounts classification, also the process by which the Governor General gives a decision when the point arises in connection with a correct classification for the purpose of 67A of the Act. Now let me come to the definite case before the House, that of Bangalore. That case did arise in discussion between the Departments and the Governor General gave his decision. I do not, of course, go into the exact reasons which actuated the Governor General in giving his decision.

Rao Bahadur T. Rangachariar: Governor General or Governor General in Council?

The Honourable Sir Malcolm Hailey: Governor General.

Rao Bahadur T. Rangachariar: Not the Governor General in Council?

The Honourable Sir Malcolm Hailey: No, Sir. It is a case under sub-section (4).

Rao Bahadur T. Rangachariar: Look at clause (3) (v) please :

"Expenditure classified by the order of the Governor General in Council as—

- (a) ecclesiastical;
- (b) political;
- (c) defence."

Is there an order of the Governor General in Council classifying this as political?

The Honourable Sir Malcolm Hailey: The general classifications of expenditure are laid down by the Governor General in Council. When a doubt arises regarding a particular item of expenditure, for the purpose of this section of the Act, then sub-section (4) comes into operation. On this particular question of Bangalore as I say the decision of the Governor General was taken. Bangalore is financed entirely from certain funds, the surplus of which goes to an Indian State. (*Rao Bahadur T. Rangachariar:* "Collected from the people.") As the surplus goes to an Indian State, which is more interested therefore than is the Assembly itself in the amount of the expenditure, the decision was to classify it as 'Political.' The decision was not taken with a view to closing to discussion the grievances of the inhabitants of Bangalore. The fact that it is not voted and is under the head "Political" does not necessarily closure discussion of that nature.

It might have that effect if Bangalore were truly part of a Native State and were not under British Administration. I invite the Honourable Member to say whether we have in the past in any such similar case ever attempted to closure the discussion in regard to Administered Areas. This is not a single instance.

Rao Bahadur T. Rangachariar: My point is we cannot discuss it at this date—to-day, whereas if it was a voted head I can reduce the grant under that head. But I cannot do it to-day. I have to adopt this indirect manner.

Mr. President: Does the Honourable Member propose to give up the arrangement made yesterday?

The Honourable Sir Malcolm Hailey: We have actually been discussing it. It is now only 4 o'clock. Even if the rest of the House would like to go home we are perfectly willing to listen to Mr. Rangachariar's account of the grievances of the inhabitants of Bangalore up to any time this evening, and we are perfectly willing to ask the Governor General to redress these grievances. There is really no bar to a discussion of this nature. As a matter of fact, Mr. Rangachariar knows that quite well.

Rao Bahadur T. Rangachariar: Am I to take it, Sir, that I can move to-day a reduction of the pay of the Superintendent of Police, Bangalore district, by Rs. 100? Can I do it to-day?

The Honourable Sir Malcolm Hailey: The Honourable Member has already moved for a reduction of Rs. 100 in order to call attention to the alleged grievances. I would now ask him to pursue the enumeration of those grievances of which he speaks and which I confess appear to me somewhat hypothetical.

Mr. J. Chaudhuri: With regard to your ruling, Sir, yesterday when this point was raised, the Honourable the Chair said that it was a question of transfer of entry in the books of account. But here it is more than that. Something which was within the scope of our vote has been removed outside that scope. Of course we have had a discussion with regard to that, but I say, very rightly as it is a matter of privilege which we have exercised hitherto and cannot close without giving us an opportunity to discuss it.

Sir Montagu Webb: Sir, I move that the question be now put.

Mr. P. P. Ginwala: Sir, it is extraordinary how very little progress we make in constitutional matters within a year. Last year this House carried a Resolution that it was within the discretion of the Governor General to abolish this distinction between "votable" and "non-votable" items. The Government . . .

Mr. President: I allowed a discussion of that matter on a point of order. The discussion on the point of order developed unfortunately into a debate. That point of order is now disposed of and the Honourable Member will address himself to the Foreign and Political Department.

Dr. H. S. Gour: How has it been disposed of, Sir?

Mr. President: Because the Chair says so!

Mr. P. P. Ginwala: My contention is with regard to the two points that Mr. Rangachariar has raised. First of all, the Political Department has somehow managed to place its expenditure under the non-votable head, and that, I say, shows that we are moving backwards and not forwards. We protested against expenditure which was once treated as votable being this year made non-votable . . .

Mr. President: Order, order. The Honourable Member has not understood what the Honourable the Home Member pointed out to the House. The transfer of these matters is done by order of the Governor General in Council on the advice of the Auditor-General who is the officer retained for that purpose amongst other things. It is not done by order, and cannot be done by order, of the Foreign and Political Department. I have allowed the House, as I said, to discuss that point of order at great length. The Honourable Member must now address himself to the Foreign and Political Department vote.

Mr. P. P. Ginwala: Yes, Sir. I am not discussing any point of order. What I meant to discuss is the Government method. They say they took the advice of the Auditor-General. We protest against the advice of the Auditor-General. He is not the Legal Adviser of Government. It is a question of law. The Auditor-General cannot decide what is obviously a point of law . . .

Mr. President: Order, order. After I have informed the Honourable Member once more what the position is, this discussion must cease. The Governor General in Council classifies expenditure. Whenever a doubt arises, and there is a dispute as regards classification in which the Legislative, Finance and Foreign and Political Departments take opposite views, the Governor General in practice refers it to the Auditor-General and his order is carried out.

Dr. H. S. Gour: May I ask, Sir, if the decision of the Governor General on the subject is available to the Members of this House?

Mr. President: The Honourable Member knows perfectly well that the decision is carried out in the Demands for Grants presented to the House.

Dr. H. S. Gour: I find no decision of the Governor General as contemplated in clause (4) included.

Mr. President: The Statute does not authorise or instruct the Governor General in Council to transmit his orders to the House. He transmits it to the Honourable Member concerned in the Department.

Dr. H. S. Gour: The Statute compels the Governor General to decide, Sir.

Mr. President: The Honourable Member must take it that this was decided.

Mr. P. P. Ginwala: I think that in view of your last remark I shall not pursue this point now. I shall find another opportunity later on. I shall confine myself for the present to the Political Department. Now, our grievance against the Political Department is this, that it brought before the House a measure for its approval which under the rules of debate the House would not have the power to debate properly. When that motion came before the House we could not have discussed the relations of the Indian Princes with the British Government and without a fair and proper

discussion of the relations based upon treaties of the British Government with the Indian Princes we could not have decided whether such legislation was necessary. It was the Political Department

Mr. President: The Honourable Member is trying to deliver a speech which would have been in order when the Bill was presented. I may remind the Honourable Member that it was open to any Member of the Assembly to have asked the Chair when that Bill was presented what the scope of the discussion would be. Had that point been taken then, the information available to the House might have been larger than it was.

Mr. P. P. Ginwala: I suppose we are expected to know what the rules of the House are and we anticipate that it would not be permissible for the Chair then to give us that latitude within those rules. That was the reason why this House would have nothing to do with a measure of that description. That was the position that this House took up. At least some of us did so. The rules are so framed that you could not possibly have allowed a discussion of the relations between the Indian Princes and the British Government upon which largely the utility of that measure depended. Therefore this House would have nothing to do whatsoever with a measure of that kind. The position that I take up is that the Political Department has no business to come to this House for legislation which on its merits cannot be discussed within the rules of procedure prescribed for discussion by this House. It is all very well for Honourable gentlemen on the Government Benches to say—as I heard Mr. Denys Bray say—that the debate would have been allowed. How does he know? As we understood the rules, and as we thought the rules would be interpreted by the Chair, such a discussion would not have been allowed. The main reason for the enactment of the Bill, according to the view then put forward and by the Government was that it was required in order to give effect to certain treaties, treaties relating to the relations of the British Government with the Indian Princes. We should have expected the Government to lay those treaties on the table of the House. We should have asked for Government's authority to enter into those treaties and we should have inquired whether Government's contention followed from the treaties. You would have been bound to tell us that according to the rules of business we could not be supplied with such information, and we would have at once been stopped from proceeding further. Did the Government suppose that we were going to give sanction to a measure at any stage of its passage without being placed in possession of all the necessary documents and information? They would never have told us enough of the treaties to enable us to judge of their binding nature with reference to the necessity of the proper legislation. They would have said "No, the rules forbid it." As a matter of fact, Mr. Neogy asked that the papers relating to the treaties should be laid on the table of the House and the question itself was disallowed. How did the Government expect us then to do anything else with a Bill of that description except to reject it the moment it came before us. Then if a question . . .

Mr. President: The Honourable Member cannot proceed with that point. I have pointed out that what Members are entitled to do is to discuss the action of the Political Department in relation to those matters that arose out of the preparation of the measure, such as the appearance of their representative before the Press Committee and so on, but to review now the speeches which were made, or which might have been made on a motion which the House rejected, is not in order.

Mr. P. P. Gindwala: I shall close my remarks with this one observation that we shall have nothing to do with the Foreign and Political Department in this House in so far as it has reference to the relations with the Indian Princes, and if it persists in bringing measures before this House in connection with these matters we shall show our disapproval of that Department by the adoption of this motion.

Khan Bahadur Abdur Rahim Khan: Sir, I have been listening to the speeches delivered by the Honourable Members on this matter. I will not go into the legal aspect of their speeches, but coming as I do from a part where we have a Resident at Kabul, I think my remarks will be of some use in the consideration of this question. My Honourable friend has said something about the waste of money at Kabul. Well, I am afraid these remarks must be very discouraging to those officers who have got troublesome and painful duties to perform. I am sure in their heart of hearts they must be expecting an expression of thanks and gratitude from us, but when they read in the newspapers the remarks made by a responsible House like this they will feel very disappointed. Now, I assure those gentlemen, coming as I do from the North-West Frontier Province, that it is due to their presence and their personality at Kabul that we have peace on the frontier. But for their diplomacy I am sure this country would have been taxed much more, would have been burdened with a lot of expenditure. It is their presence there that has saved us from a waste of money and it is due to their presence there that we are getting on splendidly with Afghanistan. At present our relations with Afghanistan are very friendly and it is wholly due to their presence and ability.

Rao Bahadur T. Rangachariar: May I rise to a point of order? Nobody has attacked those officers, we have not said a single word against those very noble people who are doing their work right loyally.

Khan Bahadur Abdur Rahim Khan: Of course, Mr. Rangachariar has been in that part of the country and he has got a very good opinion about them. I mentioned their names because attack is made on the expenditure of the institution of which they form a part. Leaving that aside, I will advise my Honourable friends that if they want to learn anything from the British people they will have to learn from the Foreign and Political Department. The thing is that this is the school where you see the life in practice, this is the school from which you can learn a lot, but if you criticise this Department which has got the interests or the destiny of India in their hands what would be the condition? (*Cries of 'Oh.'*) My Honourable friends say 'Oh!' They do not realise what is going on. If you want to be strong you must have either a strong army to answer blow for blow, but if you cannot have that, you must have diplomacy. And if you are not going to have either a strong army or good diplomacy,—I do not know what will happen, and the speeches that are delivered will have no use and will be ineffective. I would suggest to Honourable Members that when we have got this Department, we should see what they have been doing, whether the work which was entrusted to them is being done faithfully and loyally and whether that has been fruitful. If that be the case, I think it will be unfair to criticise that Department or to drag it in in the newspapers. I would not have got up and said these words but for the fact that certain Honourable Members do not realise the effect of the newspaper attacks on the independent territory whose people do not know what is going on outside. By these attacks you compromise the prestige

of the Department and belittle their services. I can say that this Department has produced personalities of whom India in general and the Foreign and Political Department in particular should be proud. The other day Mr. Bray mentioned the name of Sir Robert Sandeman, a gentleman who has got a glorious record and for generations he will be remembered. I do not think that there will be any Indian or any Englishman who enters the service of the Foreign and Political Department who will not study his books and profit by his advice. Then I will mention Sir Henry McMahon who followed Sir Sandeman's footsteps, Sir Louis Dane, Sir George Roos-Keppel and we have now Sir John Maffey who has been doing and is still doing wonderful work. (*A Voice*: "Who says they are not?") I do not mean that you blamed them, but I say that to criticise that Department which has produced such giant figures is not good in the interests of India and in the interests of those people who are serving us. (*Dr. Nand Lal*: "None of us has criticised the personality of any officer.") I am glad that my Honourable friend, Dr. Nand Lal did not keep quiet as he used to do. Of course, I agree with my Honourable friend Mr. Rangachariar that this Department should be Indianised. I will be the last man to say that there should be a bar against Indians in this Department. On the other hand I say, this service is a most important service and that it must be Indianised. I will be failing in my duty towards my country or my community if I say that this Department should not be Indianised. What I say is this that this Department expects some consideration and courtesy at our hands and that we should be a little generous towards them. (*Cries of* "Let the question be put.")

Mr. President: The question is that the question be put.

The motion was adopted.

Mr. President: The question is:

"That the provision for Establishment under the sub-head 'Foreign and Political Department' be reduced by Rs. 100."

The Assembly divided:

AYES—46.

Abdul Rahman, Munshi.
Abdulla, Mr. S. M.
Abul Kasem, Maulvi.
Agarwala, Lala Girdharilal.
Ahmed, Mr. K.
Asjad-ul-lah, Maulvi Miyan.
Ayyangar, Mr. M. G. M.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Barua, Mr. D. C.
Basu, Mr. J. N.
Bhanja Deo, Raja R. N.
Bhargava, Pandit J. L.
Bishambhar Nath, Mr.
Chaudhuri, Mr. J.
Das, Babu B. S.
Ginwala, Mr. P. P.
Girdhardas, Mr. N.
Gour, Dr. H. S.
Gulab Singh, Sardar.
Iswar Saran, Munshi.
Jamnadas Dwarkadas, Mr.
Jatkar, Mr. B. H. R.

Joshi, Mr. N. M.
Kamat, Mr. B. S.
Lakshmi Narayan Lal, Mr.
Mahadeo Prasad, Munshi.
Man Singh, Bhai.
Misra, Mr. B. N.
Mudaliar, Mr. S.
Mukherjee, Mr. J. N.
Nag, Mr. G. C.
Nand Lal, Dr.
Neogy, Mr. K. C.
Pyari Lal, Mr.
Ramji, Mr. Manmohandas.
Rangachariar, Mr. T.
Sarfaraz Hussain Khan, Mr.
Sarvadhikary, Sir Deva Prasad.
Singh, Babu B. P.
Sinha, Babu Ambica Prasad.
Sinha, Babu L. P.
Srinivasa Rao, Mr. P. V.
Subrahmanayam, Mr. C. S.
Venkatapatiraju, Mr. B.
Vishindas, Mr. H.

NOES—53.

Abdul Quadir, Maulvi.
 Abdul Rahim, Khan, Mr.
 Achariyar, Rao Bahadur P. T.
 Srinivasa.
 Ahsan Khan, Mr. M.
 Aiyar, Mr. A. V. V.
 Aiyer, Sir P. S. Sivaswamy.
 Akram Hussain, Prince A. M. M.
 Allen, Mr. B. C.
 Amjad Ali, Maulvi.
 Barodawalla, Mr. J. K.
 Blackett, Sir Basil.
 Bradley-Birt, Mr. F. B.
 Bray, Mr. Denys.
 Brayne, Mr. A. F. L.
 Bridge, Mr. G.
 Burdon, Mr. E.
 Cabell, Mr. W. H. L.
 Chatterjee, Mr. A. C.
 Clark, Mr. G. S.
 Cotelingam, Mr. J. P.
 Crookshank, Sir Sydney.
 Dalal, Sardar B. A.
 Faridoonji, Mr. R.
 Gidney, Lieut.-Col. H. A. J.
 Haigh, Mr. P. B.
 Hailey, the Honourable Sir Malcolm.

Hindley, Mr. C. D. M.
 Holme, Mr. H. E.
 Hullah, Mr. J.
 Hussanally, Mr. W. M.
 Ikramullah Khan, Raja Mohd.
 Innes, the Honourable Mr. C. A.
 Jamall, Mr. A. O.
 Jejeebhoy, Sir Jamsetjee.
 Ley, Mr. A. H.
 Lindsay, Mr. Darcy.
 Mitter, Mr. K. N.
 Moir, Mr. T. E.
 Muhammad Hussain, Mr. T.
 Muhammad Ismail, Mr. S.
 Nabi Hadi, Mr. S. M.
 Percival, Mr. P. E.
 Ramayya Pantulu, Mr. J.
 Samarth, Mr. N. M.
 Sams, Mr. H. A.
 Sassoon, Capt. E. V.
 Schamual, Mr. Mahmood.
 Shahab-ud-Din, Chaudhri.
 Sircar, Mr. N. C.
 Spence, Mr. R. A.
 Townsend, Mr. C. A. H.
 Webb, Sir Montagu.
 Willson, Mr. W. S. J.

The motion was negatived.

Khan Bahadur Sarfaraz Hussain Khan: I beg to move:

“That the provision for service postage and telegram charges under sub-head ‘Foreign and Political Department’ be reduced by Rs. 20,000.”

In 1922-23 the demand was one lakh and in 1923-24 the demand is 1,20,000 and then below that is another provision for service postage and telegram charges, Rs. 6,230 and the footnote explains “Provision intended for charges on the drop copies of messages intercepted at Karachi, Bombay and Madras for repetition to His Excellency the Viceroy. I do not see why this increase should be made and if I get an explanation which is satisfactory I will not press my motion. In view of the fact that the political atmosphere is better than last year, I do not see why this increase should be made. If I get a satisfactory explanation I will withdraw my motion.

Mr. Denys Bray: Sir, I am glad to give my Honourable friend the most satisfactory answer of all: the reduction has already been made—and more also.

The motion was, by leave of the Assembly, withdrawn.

Lieutenant-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Sir, my remarks will be brief, I wish to take advantage of this opportunity of approaching the Member in charge of this Department with a view to ascertaining from him an explanation on the administration of this Department. I take my stand on the general question and in doing so I wish to refer particularly to the replies which the Honourable Mr. Bray gave to certain questions that I asked him in September 1922. I approach the matter, Sir, with the same desire as did my Honourable friends, Dr. Nand Lal and Mr. Rangachariar, but from a slightly different angle of vision. He was pressed by these two Honourable Members for an explanation as

to why the Political Department was not being Indianized. I am afraid I have to press him for an explanation as to why the Department is not being Anglo-Indianized and to ask him when replying to kindly reconcile his reply with the replies he gave me in September 1922, as to why members of the domiciled community are being excluded from the Political Department. Sir, when Mr. Jammadas moved his Resolution on Indianization of the Public Services, he interpreted the word "Indianisation" as including all communities, and I therefore expect the Heads of all Government Departments to take that view, and which view this Honourable House has unanimously accepted. If I am so far right, Sir, then I should like to ask Mr. Denys Bray why he gave the following reply to my question in September 1922, when I asked him why members of my community had not been appointed in the Political Department:

"The appointments in question were made in pursuance of the policy adopted by the Government of India with the approval of the Secretary of State for India of admitting a substantial proportion of Indians in the Political Department. The question of admitting members of the Provincial Civil Service who belong to the domiciled community has not been considered."

I can see my Honourable friend, Munshi Iswar Saran, smiling at me and I feel sure that he will readily agree with me that if my community is included in the term "Indianization," then the Member in charge of this Department as also of all other Departments should give the same privileges and rights to the domiciled community, and if not, then in common with other Indian communities I have the right to ask "why not?"

Mr. Denys Bray: Sir, the reply I gave the Honourable Member was to the effect that the question of admitting members of the Provincial Civil Service who belonged to the domiciled community had not been considered. It has not been considered as a general question, for the Indianization that has been effected was put into effect definitely with the object of opening the Political Department to Indians in the strict, or rather the narrow sense of the word. But I can assure the Honourable Member of this, that if a suitable member of the domiciled community belonging to either the Indian Civil Service or to the Indian Army or to the Provincial Civil Service puts in an application for admission to the Political Department, that application will be considered on its merits.

Sardar Gulab Singh (West Punjab: Sikh): I move:

"That the provision for Foreign and Political Department under the head 'General Administration' be reduced by Rs. 20,000."

Sir, a comparison of the figures given in the detailed estimates and report of the Inchcape Committee and revised schedule of demands will show that the expenditure under the sub-head "Political and Foreign" has been increased. The recommendation of the Inchcape Committee especially supports my view. Now, Sir, at page 4 of the revised schedule of demands, the reduction recommended by the Retrenchment Committee is 49 lakhs 89 thousands; whereas the reduction made is 36 lakhs 37 thousands. My proposal for reduction, Sir, is very moderate; only Rs. 20,000 for one Departmental sub-head. Sir, it has been very rightly remarked by the Honourable the Finance Member that we have another reason for reductions. The budget is a budget with a deficit of 5 crores, which of course must not be made good by taxing the country which is already over-taxed. And as far as borrowing is concerned, Sir, the Government of India already stands in debt to the extent of Rs. 700 crores and money is scarce in the country and the Imperial Bank interest rate is 8 per cent. . . .

Mr. President: I am afraid the Foreign and Political Department are not responsible for the finances of the country.

Sardar Gulab Singh: Very good, Sir. Then I move my amendment that the reduction of Rs. 20,000 be made under this sub-head.

The motion was negatived.

Dr. Nand Lal: I move that:

"The demand under sub-head 'Foreign and Political Department' be reduced by Rs. 5,000."

Sir, as I have already taken part in the debate and as Mr. Harchandrai Vishindas has not had any opportunity of taking part and he is desirous of dealing with a special point relating to his province, I transfer my right of speaking on this motion to him.

Mr. Harchandrai Vishindas (Sind: Non-Muhammadan Rural): Now, Sir, I wish to bring to the notice of the Political Department as a general question of administration of a particular instance in which the Political Department have worked in a manner which is very much to be regretted. I refer to the well-known case of Sher Muhammad Bijoy Ali on the Sind frontier. Now there is a Sind Frontier Regulation which is under the jurisdiction of the Foreign and Political Department which vests summary powers of dealing with certain cases . . .

The Honourable Sir Malcolm Hailey: May I point out, that is a matter under the Bombay Government, and the Honourable Member will find that it was dealt with in the Bombay Legislative Council and by the Bombay Government . . .

Mr. Harchandrai Vishindas: That may be, but my submission is that it is a branch of the Political Department. I will simply, by unfolding the case, be bringing it to the notice of the Political Department, so that they may take any action they think fit in the interests of punitive administration.

Mr. T. V. Seshagiri Ayyar: It was a question of privilege that was discussed in the Bombay Council. This matter is open to us on the vote as regards the Foreign and Political Department. I do not see how this can be ruled out. We are fully entitled to discuss this question when we have to consider a demand relating to the Foreign and Political Department. Whether the Bombay Council was justified or not, that is a different matter. It was a question of privilege which was discussed there, and I do not think we can be shut out from discussing this subject here.

The Honourable Sir Malcolm Hailey: I wish to shut out nothing, but I am bound to point out for the information of the President, the final orders are passed by the Governor of Bombay, not by the Governor General in Council; and that the action taken under the Regulations was taken by an officer of the Bombay Government and not of the Government of India.

Mr. Harchandrai Vishindas: I may point out for the benefit of the Honourable the Home Member, this Sind Frontier Regulation No. 579 is a Regulation made by the Governor General, not by the Governor of Bombay and therefore, with due submission, it was entirely within the jurisdiction . . .

Mr. President: The question is not who made the Regulation, but who is responsible for its administration.

Mr. Denys Bray: Certainly not the Foreign and Political Department.

Mr. President: The Honourable Member denies all knowledge of it?

Mr. Denys Bray: Entirely.

Mr. P. B. Haigh (Bombay: Nominated Official): May I ask the Honourable Member if I am not correct in stating that the officer concerned in this case is the Deputy Commissioner in charge of the Upper Sind Frontier, and that that officer is an officer of the Bombay Government?

Mr. President: Then I think the point raised by the Honourable the Home Member originally that the Bombay Legislative Council was the proper place in which to raise this question in the first instance is correct; and as the Honourable the Foreign Secretary has said that he has no immediate responsibility in the matter, I am afraid the Honourable Member will only be ventilating a grievance with very little purpose.

Mr. Harchandrai Vishindas: After what has been pointed out by Mr. Haigh, I rather thought that this Deputy Commissioner's action that was taken, which is the subject matter of the complaint, was taken by the Deputy Commissioner of Jacobabad; and if Mr. Haigh is right, the Deputy Commissioner comes within the jurisdiction of the Political Department so far as this particular branch of the administration is concerned?

The Honourable Sir Malcolm Hailey: He is an officer of the Bombay Government.

Mr. Harchandrai Vishindas: So far as the working of that Regulation is concerned, and the Baluchistan Frontier Regulation and other Frontier Regulations are concerned, I think all these are within the cognizance of the Political Department.

Mr. Denys Bray: No, Sir.

Mr. P. B. Haigh: May I point out that the Upper Sind Frontier Regulation is to the best of my knowledge concerned with one of the districts, the Upper Sind Frontier, which is a part of the Presidency of Bombay. It has nothing to do with the Foreign and Political Department.

Mr. President: It is clear now that the arena for this matter is the Legislative Council of the Presidency of Bombay.

Mr. Harchandrai Vishindas: May I ask your ruling, Sir, as to whether I can unfold the case here and then leave it to the Political Department eventually to take such action as they think fit, or not?

Mr. Denys Bray: That action will be *nil*.

Mr. Harchandrai Vishindas: And may I make my remarks

Mr. President: I must assume that the President, Bombay Legislative Council, appreciated the fact and accepted the fact that this matter was within the competence of the Bombay Government and therefore, *mutatis mutandis*, within the competence of the Bombay Legislative Council; and especially in view of the fact that the Government of India Act is based largely upon the extension of the autonomy of the provinces, I think it is the duty of the Chair and this Assembly to respect that. It is the Honourable Member's misfortune that he does not sit in the Bombay Legislative Council.

Mr. Harchandrai Vishindas: Then I take it that I cannot make these remarks, and I bow to the ruling of the Chair.

Mr. B. H. R. Jatkar (Berar Representative): Sir, I move:

"That the provision for Foreign and Political Department under head 'General Administration' be reduced by Rs. 100,"

as a protest against the action of the Foreign Department. I am not concerned with the Political Department but with the Foreign Department in respect of action about their legislating for Berar. Very recently, Sir, the Foreign Department made an amendment to the Berar Land Revenue Code authorising the Government of the Central Provinces to increase the jaglia cess from 12 pies to 27 pies and the education cess from 6 to 18 pies. This House will be surprised to know that the Foreign Department is the legislative body for Berar which is not British India. It is administered by the Central Provinces Government; Members from Berar are sent to the Central Provinces Council, but they have no power to pass any legislation for Berar. Neither has this Legislative Assembly any such power. It is the privilege of the Foreign Department to legislate for Berar. The feeling in my constituency is very high against this piece of legislation, ~~this~~ amendment, which presses hardly upon the agriculturists in Berar. In fact it raises a cess, double or three times the old one because the Central Provinces Government wants the services of the Mahars in the Province at the cost of the agriculturists and not of the provincial funds. There is a surplus of Berar revenue in the hands of the Central Provinces Government and in spite of that fact they want to raise this cess to such an enormous amount. There is no other province, I believe, in which the cess ranges so high as 27 pies and 18 pies in the rupee of land revenue, and it is against this section of the Foreign Department that I raise a protest. It would have been far better, Sir, if the Berar Members of the Central Provinces Legislative Council or the Berar Members of the Central Legislature could have been consulted before the Foreign Department sanctioned the increase, and I would request the Government of India in the Foreign Department to take some steps in this matter and to lay out a procedure by which the elected representatives of the people would be taken into confidence before sanctioning any future legislation for Berar. The feeling in Berar is very high against this increased cess which was proposed in spite of protest after protest made by the people. The Berar Members in the Central Provinces Legislative Council are powerless, and nothing can be done here also; and hence I request the Government of India to find out some means by which they can take into confidence the Members from Berar while dealing with such matters. With these words, I move this formal amendment.

Mr. President: I cannot put this particular question because we have already decided not to do so. The question is:

"That the provision for Foreign and Political Department under the head 'General Administration' be reduced by Rs. 100."

(The Honourable Mr. B. N. Sarma rose to speak.)

Mr. J. Obandhuri: On a point of order. Does the Honourable Mr. Sarma represent the Foreign Office?

Mr. President: The Government is entitled to use what mouthpiece it chooses.

The Honourable Mr. B. N. Sarma (Revenue and Agriculture Member): Sir, the Government of India fully appreciate the difficulties which have been represented to us by the Honourable Mr. Jatkar. They were faced with this difficult position, mainly, as to whether they were to give effect to the representations, the Resolutions of a duly constituted Legislative Council representing the Central Provinces and Berar, or as to whether they were to come to a judgment different entirely from the one recommended by that legislative body. I may state in a few words that the Central Provinces Government, which recommended the adoption of the measure now under discussion, were reluctant to move in the direction in which they were ultimately prevailed upon to do by the Central Provinces Legislature. The Central Provinces Government pointed out various difficulties in the way of the adoption of certain measures pressed upon them by some of the representatives of the Berar Province. With the assistance of the Members of the Central Provinces Legislative Council, these Berar Members passed a Resolution demanding of the Central Provinces Government to abolish the *Baluta* to raise a cess, if necessary, for the purpose of paying these hereditary service-holders, the Mahars and others in the Berar Province, and consequently the position which the Central Provinces Government were faced with was, 'shall we give effect to this duly constituted Legislative Council's representation, or shall we disregard their recommendation?' Much to the regret of the Honourable Mr. Jatkar, the Central Provinces Government followed the constitutional procedure of giving effect to the recommendations of that body. They brought these rules into operation in some form in order that they may carry out the wishes of those representatives and they came up to the Government of India for sanction. The Government of India, therefore, were faced with a situation in which a Provincial Government which has been given very wide powers have taken definite action in conformity with the wishes of the elected representatives of the people of Berar and the Central Provinces, and they felt that although technically the Foreign and Political Department of the Government of India would have to legislate in the matter, still it was not desirable, although there might be room for a difference of opinion, to veto the action which has been taken in pursuance of the recommendations of that body. I, therefore, think, Sir, that in this matter at any rate the Central Provinces Government and the Government of India have acted in conformity with the wishes of the people as represented in the Council and the grievances of the people, if any, should be directed towards those gentlemen in the Council who have misled the Government—it may be—into taking an action of the kind. If the Berar representatives are able to persuade the Central Provinces Government into considering again the matter, the Government of India may not be unwilling to deal with the position as it may arise hereafter. But I think Honourable Members will appreciate that we should encourage as far as possible the growth of a correct constitutional position and convention as between the Government of India and the Local Governments, and it is, Sir, in order to promote the growth of that Convention, in order to give effect to the wishes of the people, that the Government of India have acted in the way in which they have acted; and I, therefore, think that far from condemning the Foreign and Political Department, Honourable Members of this House who have the future growth of representative institutions in this country at heart ought to welcome the action which the Government have taken after due consideration.

Mr. B. H. R. Jatkar: There was no Resolution in the Central Provinces Council to increase the cess.

The Honourable Mr. B. N. Sarma: With your permission, Sir, I will say this. Questions relating to revenue do generally come up to the Revenue and Agriculture Department on which we advise the Foreign and Political Department which ordinarily accepts the advice given. That is the reason why I have stood up to-day in order to defend the position of the Government of India in this respect.

Mr. B. H. R. Jatkar: I beg to withdraw my motion. (No. 260.)

The motion was, by leave of the Assembly, withdrawn.

Maulvi Abul Kasem: Sir, as a similar motion to mine stands in the name of my Honourable friend, Munshi Iswar Saran, I think
5 P.M. I shall ask him to move his.

Home Department—Inspector of Office Procedure.

Munshi Iswar Saran: Language, Sir, has been given to conceal thoughts and motives and intentions. I have the honour, Sir, to move this amendment which stands in my name, namely:

“That the provision for one Inspector of Office Procedure under the sub-head ‘Home Department’ (page 39) be omitted.”

Sir, the House will remember that there was a debate in the year, I think, 1921, about this matter and that debate was more or less a heated debate. As far as I am concerned, I can promise that in a very few cool words, I shall put my position before the House. There are Honourable Members in this House who have all along been of opinion that the utility and the necessity of this appointment is open to serious question. As one might have expected in 1921, there was an attempt made to justify the appointment, but fortunately for those who entertain this opinion, the Inchcape Committee has come to their rescue, and I shall only read the remarks made by the Inchcape Committee about this particular appointment. They say:

“The appointment of Inspector of Office Procedure costing Rs. 30,000 was created on the recommendation of the Llewellyn Smith Committee to re-organise office procedure in the Secretariat with a view to greater efficiency and economy.”

I shall request the House to mark these words:

“We understand that very little has so far been done in this direction, the officer having been diverted to miscellaneous duties.”

This is again very important, Sir:

“We have had evidence that the present procedure is in many ways defective and that both economy and expedition could be secured by more businesslike methods of disposal of receipts and in other ways. We consider, however, that this matter should be taken up by the heads of the departments concerned in giving effect to our present recommendations, and that subsequently, after a reasonable period, an officer of the Finance Department should be deputed to examine the arrangements in force and the possibilities of effecting further economies in staff and other office expenditure. If this course is adopted the continuance of the appointment of Inspector of Office Procedure under the Home Department will be unnecessary.”

I submit, Sir, that I cannot put my own view before the House in clearer and stronger language. In view of these remarks made by the Inchcape Committee, I submit that the position taken up by us that this particular post need no longer remain is perfectly justified. Before I sit

down, Sir, I wish to say that on the last occasion unfortunately, Sir, discussion turned on to the personality of the officer. I have not the slightest intention of saying or suggesting anything about the present incumbent of this office. It is as a matter of principle that I am reluctantly forced to move that this item be omitted.

Dr. Nand Lal: Sir, I have got a similar amendment in my name and therefore I desire to take part in this debate. I endorse the view of my Honourable friend, Mr. Iswar Saran, that we have nothing to do with the personality of the officer, who is immediately concerned with this motion; and, as a matter of fact, I do not know who that officer is. We wish to fight against the expenditure only, and that is the main point which has prompted us to place this subject before this House. Sir, it is no less than a wonder to me as to why the Home Department is so anxious to stand decorated by the post of this officer, whereas, the other departments of the Government of India have been deprived thereof. I believe they do not grudge it; and, therefore, there seems to be no occasion why our Home Department should be given this peculiar and special privilege. My Honourable friend, Mr. Iswar Saran, has adverted to the opinion of the Committee—I mean the Retrenchment Committee, but he has—I cannot say designedly but perhaps by oversight—omitted, so far as I can remember, to read the concluding portion of that recommendation. Therefore, I feel bound to invite the attention of this House to those lines alone:

“ Its abolition will secure a saving of Rs. 30,000, and we recommend that the budget for 1923-24 should be fixed at a certain amount.”

Now, Sir, this report was before the Honourable the Finance Member. He has very kindly supplied us with a list indicating retrenchments or reductions. There is no note appended to it, no explanation has been given whether the post of this officer, which I have already described, will be abolished or not. If any note were made or some explanation had been given from the Government Benches, I would have felt reluctant to take even one minute on this point. But in the absence of any explanation, in the absence of any note whatsoever pertaining thereto, I invite the House's attention to this specially, and I move this amendment and I hope this House will unanimously agree with me and support this amendment, namely, that this post may be abolished, which will give us a saving of Rs. 30,000 a year. The House will not forget this most important point that we are in financial embarrassment and we should try to see that money may not be spent in these unnecessary decorations. With these few remarks, and in the interests of the economy of time not going into details, I submit the amendment for the disposal of the House.

Rao Bahadur T. Rangachariar: Sir, I do not propose to address the House on this question of the recommendation that this office be abolished, but I wish to know this from Government. How long this officer, who may be thrown out of employment, has been in service, and what provision will be made for such people who are thrown into the street as it were after having given their active years of valuable service to Government; what arrangements the Government propose to make in carrying out such recommendations.

The Honourable Sir Malcolm Hailey (Home Member): Sir, Dr. Nand Lal said that we had given no indication of how far we intended to comply with the recommendations of the Inchcape Committee. (*Dr. Nand Lal:* “ Relating to this particular point and post.”) The Inchcape Committee,

[Sir Malcolm Hailey.]

working on the budget estimate of 1922-23, found the expenditure of the Home Department proper (I use that term as distinguishing it of course from the several attached offices which it superintends), found the expenditure of the Home Department proper to be Rs. 6,41,800, and it recommended that we should effect a saving of Rs. 97,000. Among the savings indicated was that of the post of the Inspector of Office Procedure. Now it will be readily understood that since the issue of the Report of the Incheape Committee, we have not had time to go into the full details of the reductions which we expect to make in the Department, but we have agreed with the Finance Department that we shall make reduction of Rs. 87,000; that is to say we have allowed only Rs. 10,000 for lag in the present year. That Rs. 87,000 is included on account of general administration. The original demand grant being Rs. 81,58,000 we propose to reduce from that Rs. 7,58,000, and the Demand put to the House is Rs. 74,08,000. The Rs. 87,000 referred to is part of the reduction of Rs. 7,58,000. Considering the difficulty of making reductions of this kind in full immediately, I think the House will agree that we have acted loyally by the Finance Department. Whether the abolition of the post of the Inspector of Office Procedure will be involved in that cut of Rs. 87,000 I am not able to say at the immediate moment. All I can say is that we will make that reduction of Rs. 87,000 and I think that the House will realise that it will be unreasonable to ask us to make a larger cut, as this motion would do, than the Incheape Committee itself has asked us to make. We are considering the position of the Inspector of Office Procedure. I am not going here into the merits of the question which has been raised by Mr. Iswar Saran. The House debated that point on a previous occasion. All I can say is that we are attempting to give full effect to the cut of the Incheape Committee, and it is not impossible that this Office will have to go in order to realise that cut. Mr. Rangachariar asked what standing the Officer had and what arrangement would have to be made if an officer of this nature was turned adrift from Government service. I do not remember the exact number of years of service the officer has had, and with regard to the latter part of Mr. Rangachariar's question, he has raised just one of those difficult questions which it is difficult to answer at a moment's notice, though an answer will have to be found to it. Obviously if we are to make, not only here but elsewhere, the cuts which have been demanded by the Incheape Committee, there will be a considerable number of officers and subordinates who will be deprived of their employment, and I intend to put later to my Honourable friend the Finance Member certain proposals as to the correct method of dealing with these officers and subordinates.

Mr. President: The question is:

"That the provision for one Inspector of Office Procedure under the sub-head 'Home Department' be omitted."

Munshi Iswar Saran: May I be permitted to withdraw my motion in view of the statement of the Home Member?

The motion was, by leave of the Assembly, withdrawn.

Rao Bahadur T. Rangachariar: With your permission, Sir, I wish to lump together motions 265, 266 and 271 as they all raise points of which I have given notice to the Honourable the Home Member. My first and most important point is the question of when the Government of India

Secretariat,—I mean the Secretaries, the Joint Secretaries, Deputy Secretaries, Under Secretaries and Assistant Secretaries in it,—will take in a large number of Indians. Sir, I may at once say that I have the greatest admiration for the Secretariat people with whom I have come in contact. I have come in contact with several departments of the Government of India, and I cannot find a better lot of people elsewhere. It is to that company, if I were young, I should have aspired to belong. (*Dr. Nana Lal*: "You are not too old yet.") I am too old, I am sorry to say. But I want my countrymen to imbibe that spirit of devotion, that intelligence, that culture which these people bring to bear upon the daily performance of their duties. When I turn to the Legislative Department, when I sat with them, their draftsmen, during the last two weeks, I simply admired their capacity, how they have been able to put into shape Bills which we non-officials bring forward without much thought, which they put into shape, and they oblige us in the kind way in which they put these into shape. When I go to the Finance Department, complex problems are solved in the most easy manner. When I go to the Home and other Departments similar assistance is rendered. And in the Finance Department I am glad to see my countrymen taking their legitimate share, and I hope they add to the improvement of that Department by their presence there. And I do not want to see my countrymen taking their fair share in the Home Department. Sir, under Sir Malcolm Hailey; in the Foreign and Political Department under Mr. Donys Bray, who is eloquent with facts; under Mr. Thompson, who is eloquent but without facts. And I want them also to associate with my Honourable friend, Mr. Burdon, whose office I have seen sometimes—when he was absent—but I have failed to recognise any Indian face except in the matter of finance; there, of course, he has the competent assistance of my Honourable friend, Mr. Mitra, one of the ablest financiers the country has produced. Sir, this subject is a very thorny subject. It created a scene in the otherwise serene atmosphere of the Upper Chamber, so much so that my Honourable friend the Right Honourable Srinivasa Sestri himself lost his temper and was able to convince the Government Benchers that they had a poor case. Sir, there are Indian members of the Indian Civil Service who have undergone experience in the various provincial Secretariats. I know some of them, Sir, for want of a better job in their own line, have distinguished themselves as Dewans of first-class Indian States. Is it not a matter for us to hang down our heads that our servants should be lent to foreign States when there is scope for them here in our own sphere of activities? No doubt, time was when Indians as such were tabooed. That was not so very long ago. But, Sir, since 1908, new days have come into existence. After 1908, at least I had hoped a departure had been made, and the doors of this sacred Secretariat would be thrown open to Indians in larger numbers. Sir, that is my appeal in that direction. I hope the Honourable Member will give us an assurance in this direction that both I. C. S. men and provincial service men will find their due share and I am sure that the men in the Secretariat, as it is, will welcome them as assistants, but I want they should extend that hand also as able lieutenants and as colleagues and sometimes to take their places with distinction.

Another question which I wish to raise is another constitutional question of great importance, which I know has troubled many a Member of Council, both European, and Indian. Sir, the question of the direct access of the Secretary over the head of the Member to His Excellency the Viceroy and the Government in the provinces. But here, I confined to the position of

[Rao Bahadur T. Rangachariar.]

Secretaries here. I mean it is an unheard of thing in any other constitution that such a thing should remain. It may be the vestige of ancient days when the East India Company ruled this country as Agents on behalf of the Crown. But, after the Crown took charge, why such a state of things should continue I fail to see. Sir, recently I was reading a very interesting book—Sir Guy Fleetwood Wilson's "Letters to Nobody," where he as a Member who was the Finance Member of this Government has written as follows:

(I am referring to pages 116 and 117 of this very interesting book, which I will ask Honourable Members to read.)

"From an Englishman's standpoint the great flaw in the Indian governmental system lies in the fact that Secretaries to Government, the equivalent of our Under-Secretaries of State, take the file papers which are to come under discussion direct to the Viceroy before the Council sits and discusses the question at issue with him in private. There is a two-fold objection to this method. It may in certain conditions enable the Secretary to intrigue against his Chief and it offers him the great temptation of indulging in wholesale agreement with the Viceroy, on whom his advancement depends."

And he adds (and I think we may add our testimony also in that matter—I have not searched the cupboards of the Members but I dare say, there is many a skeleton concealed in these cupboards:)

"Nothing but the conspicuous loyalty of the Indian Civil Servant has obviated a breaking-up of a machinery which combines in a Viceroy the dual functions of a Sovereign and a Prime Minister, and enables a permanent official to influence him, should he wish to do so, against the Minister in charge of the Department concerned."

Sir, that is a system which I think ought to be done away with now that Members are responsible to the Legislature—I hope they are now, and they act as Ministers, and here the Viceroy occupies a dual position. Whatever views the Secretariat have should end with their conference with the Member. They should be able to argue out the matter with the Member in charge and there their position must end. They should not have direct access elsewhere. Oftentime, I understand, the rule enables the Secretary to differ from his Chief and take the matter up and call for a Council meeting if he likes and in that way he is able to spoil the effects which the Minister in charge may be able to produce on the administration. Sir, this matter becomes very important. I do not think I should conceal my thoughts on this position. I have heard very responsible people who have occupied the position of Members, specially in the case of Indians who have been Members with European Secretaries to deal with. And if they want to carry out a particular policy, they find it difficult to carry it out unless of course they come across an amiable Secretary who will put up with it and look at it from his point of view. It appears to be a vicious principle. It has no precedent anywhere and it should not be allowed to continue any longer.

Sir, the third point which I wish to raise is the question turning upon the recommendation of the Incheape Committee whereby they propose to veto the Resolution passed by this Assembly last September by which we voted the annual grant to this Medical Research Institute. We all had the matter discussed and thought it was going to be a very useful institution. And I hope the Government will not come to a conclusion on that recommendation without giving an opportunity to this Assembly to consider it again. For it has hopes not only for research in western science, I say it has hopes of opportunities for research into the Ayurvedic and Unani systems of medicine. Sir, it was in that view I supported the motion. We

must have a Research Institute of that sort, where both the systems of medicine can be brought into operation and collaboration and therefore it should not be abandoned without further and careful consideration of the question.

Dr. H. S. Gour: Is that the Home Department?

Rao Bahadur T. Rangachariar: I beg your pardon. All these general questions I think the Honourable the Home Member will take charge of, because they are general questions which arise. No doubt, it pertains to the Medical Department but I believe these general questions arising out of the Incheape Committee's recommendations are under the Home Department.

Dr. Nand Lal: I thought the Medical Department was under Education.

Rao Bahadur T. Rangachariar: I think Honourable Members may well leave me to take care of myself. I am not acting without instruction and I am advised that the proper Member to address is the Honourable the Home Member. Sir, I raise these points and make my motion. Not all these three motions. I will move the last, Sir, with your permission.

Mr. President: We can take it all on the motion of Mr. Joshi:

"That the provision for Pay of establishment under the sub-head 'Home Department' be reduced by Re. 1."

Mr. N. M. Joshi: Sir, there is a mistake in my motion. I wanted to put in the word "Industries" and I put in the word "Home".

Rao Bahadur T. Rangachariar: I will move 271:

"That the provision for contingencies under the sub-head 'Home Department' be reduced by Rs. 50."

The Honourable Sir Malcolm Hailey: Mr. Rangachariar refers to two points, the first relating to the increase in the number of Indians employed in the higher posts in our Secretariat; he is not I think referring to the ungazetted establishment—he refers entirely to the posts of Secretary, Deputy Secretary and the like. Now, the matter has so recently formed the subject of debate in another House that it is perhaps unnecessary for me to trouble this House with any elaborate display of figures on the subject. But it is within my own recollection that I heard Sir Harcourt Butler in the old Council make a speech congratulating India on the fact that he had in his Department one Indian Assistant Secretary. As the House knows the matter has gone far beyond that now. As Mr. Rangachariar says, he meets Indians everywhere now in the Secretariat and he speaks of their capacity with appreciation. In the other House the difficulty we found was that we were asked to lay down a definite scale for the employment of Indians in the Secretariat.

(At this stage Mr. President vacated and Sir Jamsetjee Jejeebhoy took the Chair.)

I do not think that Mr. Rangachariar is asking for that now, all he is asking for is a guarantee that their claims will not be overlooked in making future appointments in the Secretariat. Of course we make our appointments in the Secretariat mainly from the Provincial Secretariats; it is to our interest to select our men who have had experience of work in the provinces. Obviously they would not be of the fullest use to us if they had no such experience. Now, the number of Indians is growing largely in

[Sir Malcolm Hailey.]

the Provincial Secretariats, 5 out of 71 Secretaries are now Indians; 2 out of 14 Deputy Secretaries, 15 out of 44 Under Secretaries, and 25 out of 44 Assistant Secretaries are Indians. We now, therefore, have there a growing field of recruitment and I think the House may rest assured that we shall not neglect it. We realise as fully as the House does the value of associating Indians with us in our work in the Secretariat. If the cases have not been numerous in the past, and it is so, it has largely been owing to the fact the Provincial Secretariats had not themselves trained up a sufficient number of Indians for us to draw upon. I can say nothing as to a definite ratio of Indians in the Secretariat, because these are selection appointments and it is always difficult to lay down a ratio for purely selection appointments. It is easy enough with regard to recruitment, but not so when you come to selection appointments. But, as I say, the House can rest assured that although we do not wish to bind ourselves to a definite ratio, we shall do our best to obtain recruits to our Secretariat from among Indians employed in the Provincial Secretariats. Now, as regards the second point, that is the position of Secretaries, it will be understood that I speak perhaps with a little delicacy on the subject as a Member in the presence of many Secretaries. But I think I may say with confidence that among the many Members of Councils with whom I have been associated at different times I have not found the feeling expressed in the quotation from Sir Fleetwood Wilson's book, and if I may say so, I am myself a little in doubt as to the experience on which he based his conclusion.

Mr. Jamnadas Dwarkadas: Not while they are Members.

The Honourable Sir Malcolm Hailey: When I look back on the Secretaries that Sir Guy Fleetwood Wilson had, when I realise that his Secretaries were for the greater part of his tenure Lord Meston and Sir William Meyer, I am astonished to think that he should have concluded that there was any danger in the constitutional position which I am about to discuss.

Rao Bahadur T. Rangachariar: With your permission, Sir, I may inform the Honourable Member that for want of time I did not read the last sentence. "Personally," he says, "I readily confess I never experienced a shadow of difficulty. My Secretaries to Government and myself were as one." He says so.

The Honourable Sir Malcolm Hailey: I am very glad the Honourable Member has read us that addition, because it solved any doubt that the remarks of the author were drawn from any personal experience. Now, I do not wish unduly to delay the House with another constitutional discussion this afternoon. But the facts are interesting in themselves. I may remind the House that from the time of Warren Hastings and Sir Phillip Francis the Government of India was governed by a committee of which the Governor General was President. Up to about 1857 an individual Member of Council had no power to issue orders in the name of the Government of India on cases which had not been brought before the Council. The Governor General alone had that power and he exercised it on the papers submitted to him by the Secretary. That is clear from Lord Ellenborough's speech on the East India Council Bill in 1861. When Lord Canning made a formal division of business among Honourable Members after the passing of the Councils Act in that year, and they were empowered to issue orders in the name of the Government of India, it was felt essential to have some effective security against their committing the Government to

important decisions of policy without the knowledge of the Council or the Governor General. Now that position is in essence the same to-day. We are a corporate body; our individual functions are exercised subject to a joint responsibility, and the co-ordinating factor is the Governor General. The Secretary's first task is to bring before the Governor General cases in which it is essential that he should decide whether decisions of a Member or of a Department should be seen by other Members of Council. The Secretary takes them to the Governor General for that purpose and the Governor General then, if he thinks the matter important, orders it to be brought before a full Council. I know of no other method by which the co-ordinating authority would be in a position to exercise his responsibilities. Unless we had this provision it would be possible for an individual Member of Council to issue orders over-ruling a Local Government, to issue orders that might affect largely other Departments and his Colleagues, and for effect to be given to those orders with results which of course would be destructive of the corporate nature of our work. There is of course a second provision in our rules of business, namely, that a Secretary can take any case to the Viceroy and express his opinion upon it. That again, I think, is reasonable, because it must be realised that Members of Council are appointed primarily not as heads of departments but as Members of a Council; they are only placed in charge of a particular subject at the order of the Governor General. Now, there are many technical points concerned in the work of some Departments—and when I say technical, I do not refer only to what is usually included in the term—but many points of specialised knowledge, let us say, relating it may be to educational, or revenue, or medical matters and such like, which require a special experience. I think it is well that there should be an officer possessing such experience who is able to put his views to the Viceroy, in view of the fact that the Member may often not have the same special knowledge. That is the reason for constitutional arrangement. May I add this that there has been one unhappy case in recent years within the Government of India which was entirely due to the breakdown of this constitutional provision, that is to say, orders were issued by a Member without reference to a Secretary; and had the usual Secretariat arrangement been carried out, the trouble which then arose, and which gave all of us so much pain would never have arisen. For my own part I am far from wishing to see this constitutional provision abrogated; I believe that it is a great safeguard to other Departments and to the Local Governments. The Secretary is a Secretary to the Government of India, and responsible not only to his own Departmental Member, but to all of us. The House will remember that when we discussed the Esher Committee Report there was put forward by that body a proposal that we should have a Secretary to the Army Headquarters and not a Secretary to the Government of India in the Army Department. A strong opinion was then expressed that the appointment of a Secretary to Army Headquarters, who was not responsible as Secretary to the other Departments of the Government of India, and who did not have the constitutional power of referring matters to the Viceroy, would constitute a great danger to the Civil Departments of the Government of India. I come to the third point, that is, that relating to the Medical Services. I am sorry if I gave Mr. Rangachariar to understand that I myself would be able to answer this question. I undertook that he should be answered on the point, and I would ask Mr. Chatterjee to do so either now if the Honourable Member so wishes or subsequently when he deals with the particular motion relating to Medical Services. (*Rao Bahadur T. Rangachariar*: "That will suit me all right.")

Dr. Nand Lal: Sir, I will make only one observation and that will be relating to a certain suggestion which has been offered by the Honourable the Home Member. He was pleased to remark that so far as recruitment goes he should like that our Secretaries and Assistant Secretaries should be taken from the Provincial Secretariats. My submission before the House is that it will hardly be compatible with justice, so far as the deserving subordinates in the Secretariats of the Government of India are concerned. Of course, there is some force in the suggestion that the Secretaries that we will have from the Provincial Secretariats must have had some sort of experience. But in reply to that I may submit that our own Assistant Secretaries, or those who are fully deserving of being promoted to Secretaryship here in the Government of India have got experience. So, if on the ground of experience Assistant Secretaries in the Provincial Secretariats are to be given promotion or elevation to the Secretariat of the Government of India, the claims of those Assistant Secretaries or such other men, who are entitled to be promoted to the post of Secretary and have been and are working in the Government of India should be given due consideration. I submit that the Honourable the Home Member will give consideration to this suggestion of mine, so that those who are working in the Government of India may not feel discouraged.

Mr. Deputy President: The question is:

"That the provision for contingencies under the sub-head 'Home Department' be reduced by Rs. 50."

Rao Bahadur T. Rangachariar: I do not press it after the statement made by the Honourable Sir Malcolm Hailey.

The amendment was, by leave of the Assembly, withdrawn.

The Honourable Sir Malcolm Hailey: Mr. Chatterjee will deal with the other subject, that is, the one relating to Medical Services when we come to the subsequent grant relating to the Medical Services.

Rao Bahadur T. Rangachariar: Amendment No. 269.* I do not understand what the entry in the demand means. I want information on that point.

Dr. H. S. Gour: I raised the same question about two years back. I was informed that there was a very large number of surplus Army Officers. I believe the number was something like 2,800 or thereabouts.—I speak from memory subject to correction. In the speech I delivered last year on the subject of the appointment of a Retrenchment Committee I pointed out that a great many of these surplus Army Officers were employed in doing more or less clerical work. I have been reading in the newspapers an account that the surplus Army Officers are being sent away every week or every month in a certain ratio. I want to know what was the original number of surplus Army Officers, when they were discharged and how many . . .

Mr. Darcy Lindsay (Bengal: European): I want to ask on what particular amendment my Honourable friend, Dr. Gour, is speaking. Has it been moved?

* "That the provision for Passage of Surplus Indian Army Officers selected for the Indian Civil Service under the sub-head 'Home Department' (page 40) be reduced by Rs. 9,120."

Dr. H. S. Gour: I am afraid my Honourable friend must have been engaged otherwise . . .

Rao Bahadur T. Rangachariar: It is true I did not formally move it, but I intended to. It runs as follows:

"That the provision for Passage of Surplus Indian Army Officers selected for the Indian Civil Service under the sub-head 'Home Department' be reduced by Rs. 9,120."

Dr. H. S. Gour: I should like information as to how many officers now remain, before how long they will be all sent away and what will be the total cost to the State of these Surplus Army Officers.

Mr. J. P. Cotelingam (Nominated: Indian Christians): This motion does not refer to the question of the 2,000 and odd surplus officers who have been allowed to relinquish their appointments. Quite recently the Secretary of State issued a notification offering a certain number of appointments to those amongst the surplus officers who have qualifications to enter the Indian Civil Service.

Dr. H. S. Gour: I am perfectly aware of what my Honourable friend, Mr. Cotelingam, has said, but I only wanted to enlarge on the question put by Mr. Rangachariar and generally address my inquiry about the surplus Army Officers. If the Honourable Member in charge is unable to give the information to-day I will not press the question.

The Honourable Sir Malcolm Hailey: I understand that this definite motion refers to a sum which we have placed in our budget at page 40, "the passage of surplus Indian Army Officers selected for the Indian Civil Service." The House knows quite well what our arrangements are for recruiting for the Indian Civil Service. We have a progressive rate of recruitment of Indians—33 per cent. rising to 48 per cent. It is now 37½ per cent., the remainder of the recruitment is in Europe. The number of European recruits obtained by the ordinary competitive examination in England has fallen very far indeed below the average. And under the Temporary Provisions Act, which does not expire till 1924, it is open to us to recruit either by competitive examination or by nomination subject to proper tests. During the later stages of the war we recruited under the Temporary Provisions Act by nomination among British Army Officers. Now in order to complete our European recruitment, we have, instead of recruiting from among surplus British Army Officers, decided to take a certain number of Indian Army officers, that is to say, officers who were in the Indian Army, but have been declared surplus to establishment. There were altogether some 1,000, so declared surplus to establishment, and we thought that if possible we would obtain our recruits from this source rather than by nomination in England itself, for they would have some experience of the country and of the language, while there seemed little doubt that we could find from among the large number of surplus officers men who had commenced a university career in England and are well qualified to fulfil the literary tests. I may add that the officers apply in India. They undergo a literary test here and their papers are sent Home to the Civil Service Commissioners who are responsible, of course, for recruitment to the Indian Civil Service. If accepted by them, the officers then go Home to appear before the Civil Service Commissioners and complete their final tests. So far our arrangements contemplate sending 12 officers Home, but it is not known yet whether that number will be worked up to, because we do not know how many will be accepted by the Civil

[Sir Malcolm Hailey.]

Service Commissioners when they see their papers. So it is possible that the full sum placed in the budget may not be required. I would add that it is perhaps purely an accident that the sum finds its place here, because the officers surplus to the Indian Army establishment who are being dispensed with are being given a free passage Home. So these particular officers, it may be 12, in number, would receive that passage Home in any case, but as they are going Home for the particular purpose of appearing before the Civil Service Commissioners, we have made provision for them in the Home Department estimates. I hope that explanation will satisfy my Honourable friend.

Rao Bahadur T. Rangachariar: Then I do not press the motion* and withdraw it.

The amendment was, by leave of the Assembly, withdrawn.

Mr. K. G. Bagde (Bombay Central Division: Non-Muhammadian Rural): Sir, I beg to move:

"That the provision for other Contingent charges under the sub-head 'Home Department' be reduced by Rs. 5."

By moving this reduction I intend to raise the question regarding the working of the Standing Committee attached to the Home Department. Honourable Members might be remembering that on the 19th of January, 1922, the Honourable Mr. Neogy moved a Resolution recommending to the Governor General that Standing Committees elected by Members of the Legislature be associated with the different departments of the Government of India except the Army and the Foreign and Political Departments. This Resolution at that time was vehemently opposed on behalf of the Government, but it was carried by the House. Then on the 22nd August rules were published in pursuance of that Resolution. For the information of Honourable Members I may just read the rules which were intended to define the scope of the duties of these Committees:

"The following subjects will be laid before the Standing Committees.

1. All Bills introduced or proposed to be introduced by non-official Members of the Legislature and the Legislative proposals which the Department concerned intends to undertake and on which the Member in charge of the Department desires the advice of the Committee.
2. Reports of Committees and Commissions on which the Indian Legislature is not adequately represented and on which the Member in charge of the Department desires the advice of the Committee.
3. Major questions of general policy on which the Member in charge of the Department desires the advice of the Committee.
4. Annual reports."

There is a proviso which lays down certain limitation on this rule but I do not think it necessary for me to read that proviso. Now, Sir, we do not know what help these standing committees have rendered to Government. If we followed the debate on the original Resolution it will be very easy to find that the aim of the Mover was that Members who were on the committee should get experience in the administration of the various departments of the Government of India. I do not know how far that aim has been fulfilled. The rules which I have just read out will

* "That the provision for Passage of Surplus Indian Army Officers selected for the Indian Civil Service under the sub-head 'Home Department' be reduced by Rs. 9,120."

make it clear to Honourable Members that the functions of these committees are purely advisory. In that debate the present Home Member and his predecessor both made a great point that these committees would hamper and raise difficulties in the way of Government. Sir William Vincent said "Now that would not be the case exactly here because any Committees appointed would be advisory. But at the same time any Member of the Government might be put in a very difficult position by Members of a Committee. They ask for papers and the Government says 'No. They are not going to be put before you'. 'Very well, my friend' the Committee say 'you wait till we get the Assembly down on you; you are not going to accept our views on the subject; we will see what the Assembly has to say on that'." Now, no member of these committees has come forward before this Assembly at least with such a threat. From that I think that the Honourable Members who are on the committee have not raised any difficulties in the way of the Government. But our experience on the 20th of last month shows that these Committees, at least one of these Committees, has been used by Government as a handle to throttle our freedom of action. On that day Government depended upon the opinions of the Standing Committee attached to the Home Department for throwing out two Bills, one Bill introduced by our friend Dr. Gour, I think the Bill to amend the Legal Practitioners Act, 1879, and the other was the Inter-caste Hindu Marriage Bill of the Honourable Mr. Latthe. Now Sir, I do not think it is desirable on the part of Government to use the opinion of the Standing Committees for curtailing our freedom of action; because the Assembly would then be thrown into a very awkward position. There has been some talk about the Princes Protection Bill to-day and the Honourable Members might be remembering that some section of the press found fault with the fact that the Princes Protection Bill at its first reading was thrown out by the Assembly. Now Sir, Government at the instance of these Committees is laying down precedents by throwing out these Bills at the first reading. What I want to object to is that the Committee at least should be strictly neutral with regard to social legislation in which I am very keen personally. Now we have suffered a good deal from the opinion of this Committee with regard to these two Bills and I do not think there is any probability of our getting those Bills through in the life time of the present Assembly. And the other thing I want to bring to the notice of this House is that these Committees should be given more important work. I would like to know from the Honourable the Home Member what work, especially with reference to the third clause, i.e., major questions of general policy—have been referred to these Committees, and if no such questions are referred to these Committees, then I think the creation of the Committees has not been of any use, or at least has not been of that much use which was expected from their creation. I therefore request the Honourable Member to give me an explanation on this point.

Mr. J. N. Mukherjee (Calcutta Suburbs: Non-Muhammadan Urban):

Sir, at this late hour I had no intention of detaining the House,
 6 P.M. but owing to certain observations of a very general character which have been made, I feel it my duty to place an aspect of the question which has been held back from the House. The principal complaint of my Honourable friend, if I understand him rightly, was that in matters of social legislation the Committee attached to the Home Department, which is of an advisory character, should not give any opinion which would go to influence the decision of the Governor General or of the Executive.

[Mr. J. N. Mukherjee.]

Government. My Honourable friend forgot that Bills of a certain class have to be introduced into the Assembly with the previous sanction of the Governor General. Now, in matters of social legislation, I must state to the House, that the communities affected by Bills of that character feel it as a grievance that their opinion is never taken before their introduction in the Assembly. The party who is going to be affected, the communities concerned, are kept in the background. Honourable Members in this House will readily see that the House was not constituted on a religious and social basis, but upon an administrative basis. Though, no doubt, under certain circumstances social legislation may be taken up by the Legislature, yet as a rule the Governor General has to inform himself as to the trend of popular opinion with regard to any piece of social legislation and to form his own opinion accordingly. Now, Members do not come to this House with a mandate from their communities. As matters stand now, a community is thrown on its back summarily in this House, and social legislation is attempted to be rammed down its throat. That is the sort of process that is attempted in this House. I for one Sir, protest against such a procedure. The Governor General, before he grants his sanction to any Bill affecting communal laws, should have a full opportunity of knowing the views of the people who are going to be affected by the proposed legislation. The committees, it could be thought, afford some means for conveying the sentiments of the people with reference to social legislation. But that I submit, is unfortunately a view which, in the present state of things does not hold good for all practical purposes. The class of people who are coming into the Assembly have cut themselves adrift, more or less from the great masses of the people in certain respects, and if they take upon themselves the duty of expressing the sentiments of the people in matters of social legislation, I submit they do so on their own responsibility, but certainly without any mandate from the people at large. Therefore Sir, although advisory committees afford some check, that check, I submit, is insufficient. If the Governor General takes advice from these advisory committees, generally speaking he does the very thing he ought to do and what the country expects him to do. I am voicing the opinion of a large class of people with whom I am in touch, when I say that they wish that the Governor General and his Council should inform themselves as to the propriety of any social legislation before its initiation. As regards administrative questions, it does not matter Members of which community in the Legislative Assembly take part in their decision or what sort of religious views they hold. It is a pure question of administration in such cases, and I have nothing to say as to the functions of these advisory councils, in general, except that in administrative matters their advice should be obtained more readily than is the case now. Sir, I oppose the motion, on the whole.

Rao Bahadur C. S. Subrahmanayam: Sir, the point is a very narrow one. The question specifically raised is the advice which the Committee is said to have tendered to the Home Department. And only two points relating to that consultation were taken up for discussion. The first was with regard to Dr. Gour's Bill which I presume is a Bill relating to women being admitted to the legal profession. The objection was not on any special ground. There were certain technical difficulties in drafting, and therefore it was said that the drafting should be undertaken by Government, and that the matter should not be left entirely in the hands of a private Member, and Government were agreeable to undertaking legislation.

in the direction in which it was desired by the Mover; then the opinion that was given was in consonance with the opinion received from outside competent authorities. On that point I think the Committee, or any individual Member of the Committee, could not be blamed, and there is no element of social or racial or any other consideration governing the advice tendered on that matter. With regard to the other matter, that is, Mr. Latthe's Bill, the opinion was based more upon the convenience of the Members, the convenience of the Assembly, and convenience based upon economy. There was Dr. Gour's Bill, which he had strenuously during the last two years advocated before the Assembly, and it was taken up by a Committee; and I believe, judging by the event, that Bill has been put into shape and presented to this House. Well, that Bill was in course of consideration, discussion and shaping, and it was thought that another, not exactly on those lines but somewhat similar lines, would simply confuse the issues and would probably be a set-back to Dr. Gour's Bill. Then there was also for consideration this Bill introduced for the first time in this session and which may not have any chance of being passed into law before this Assembly dissolves, and it was on the ground of convenience, not on the ground that that Bill had anything to do with social or religious or other matters; it was on that ground, and when these matters came up for discussion, the Government said: 'This is our opinion, which is also confirmed by the opinion which we got from the country, and I think on these two points, it is only a matter which any legal man or any man who is slightly conversant with legislation and the methods of legislation would have advised. These are the two points I think which require some kind of explanation from a Member.'

Rao Bahadur T. Rangachariar: I am afraid, Sir, the discussion has taken an altogether wrong direction. The point which I wish to emphasise somewhat on this Resolution is this. These Standing Committees were appointed to get into live touch with the real internal administration of each Department; they were not appointed to examine non-official Bills merely, they were appointed to go and acquaint themselves with the internal machinery. With that object, we put them in, and our complaint is that, at any rate my complaint is that, so far as the Home Department is concerned, they used their Committee merely for the non-official Bills, and I do not see any evidence that this Committee was brought into touch with the internal machinery.

Mr. N. M. Joshi: I also support the motion made by my Honourable friend, Mr. Bagde. When the Standing Committees were elected, we thought they would do more useful work than advising the Government to throw out private Bills. If the Standing Committee's advice is to be followed by Government in certain matters, I am quite sure no private labour legislation will have any chance in this House.

(*Voices:* "I move that the question be put.")

Mr. Deputy President: The question is:

"That the provision for other Contingent charges under the sub-head 'Home Department' be reduced by Rs. 5."

The motion was negatived.

Dr. H. S. Gour: Sir, at this stage may I ask you to adjourn the House?
(*Voices:* "We must go on.")

Staff Selection Board.

Mr. Sambanda Mudaliar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I will not detain the House for more than two minutes. You will see, Sir, that the main function of the Staff Selection Board is to provide clerical officers for performing duties under the control of the Government of India. Now in regard to this, the Incheape Committee have recommended; on page 135, that it should be put on a self-supporting basis. They said:

"It is probably desirable that there should be an institution of this sort to recruit for the Secretariat, but when the Board again fully functions an endeavour should be made to render it entirely self-supporting."

You will see that in the present year's Budget provision is made for Rs. 4,880. My submission is that this amount is quite unnecessary, and, having regard to the recommendation of the Retrenchment Committee, it should be put on a purely commercial basis, and it should be made self-supporting. I think the expenses, whatever they may be, should be met from the examination fees, and it is hardly necessary that an amount of Rs. 4,880 should be set apart for this item. I therefore recommend this for the approval of the Assembly.

Mr. Deputy President: The question is:

"That the provision of Rs. 4,880 under the sub-head 'Staff Selection Board' be omitted."

The Honourable Sir Malcolm Hailey: Sir, we had previously been spending a sum of about Rs. 22,000 to Rs. 22,800 on the Staff Selection Board; we now propose to place a sum of Rs. 4,880 in the Budget. That expenditure is merely intended to carry on the Board on a minimum basis for six months until we have the Report of a Committee of this House on the operations of the Staff Selection Board. That Committee was appointed in 1921; we have not yet received its Report. When we receive the Report, we shall be able to take further action with regard either to the continuance of the Staff Selection Board or to its abolition. The sum of Rs. 4,880 simply covers a minimum office staff, for its move to Simla, and provides for the summoning of a few candidates and stenography and typing. It provides for nothing else, we shall be holding no examination, and is merely intended to give us an opportunity of deciding what we shall do with the Staff Selection Board.

Mr. Sambanda Mudaliar: Sir, I beg to withdraw the motion.

The motion was, by leave of the Assembly, withdrawn.

Central Bureau of Information.

Rai Bahadur G. O. Nag (Surma Valley *cum* Shillong: Non-Muhammadan): Sir, I move:

"That the provision under the sub-head 'Central Bureau of Information' under the head 'General Administration, ('Home Department')' be reduced by Rs. 50,000."

Sir, I have not been able to understand the utility of this Central Bureau of Information. So far as I have been able to follow its activities, I find that it only compiles the Moral and Material Progress Report of India out of materials supplied by the various Departments. How far this is justifiable, I would refer Honourable Members of this House to the remarks of the Honourable Finance Member made the other day; he said that the progress of the country was no better than a rake's progress. Now, my point is if the Government are anxious to bring out

a narrative of the events touching on the moral and material progress of the country for a year or a number of years, I should not dispute the desirability of their doing so. Can they not do this without incurring such a heavy expenditure? I think they can place an officer on deputation for a period of three months and get the work done. I do not know why, for achieving this object, the Government should go to the expense of maintaining a whole-time Director of Information on Rs. 2,000 to Rs. 2,750 and a whole-time Assistant Director on Rs. 1,200 to Rs. 1,500 with a staff of clerks and servants, all costing the country no less than one lakh and a half of rupees annually. In these days of deficits when we are starving such useful departments such as Education, Medical Relief, Sanitation and the like, it seems nothing short of a folly to indulge in such a luxury as a Central Bureau of Information, in Delhi or Simla, and that at such a high cost. Then, again, Sir, there is another point. For whose benefit do the Government keep this Bureau? So far as the public are concerned, the Bureau seems to care precious little for its interests. By way of illustration I would invite attention of the House to the leaflet issued by the Bureau in the month of July last and re-published in the newspapers of the country dealing with the question of State *versus* Company management of the Indian Railways. The object of the leaflet was to influence public opinion in favour of Company management and to condemn State management of the Indian Railways. The Honourable Mr. Innes replying to an interpellation on the 6th September last admitted that the leaflet was published by the Publicity Bureau on the materials supplied by the Railway Board. In other words the Bureau acted in that matter as the mouthpiece of the Railway Board, which, it is well known, is in favour of Company management. This was the manner in which the Bureau served the public in a matter of such vital importance. If the Central Bureau exists to voice the opinion of particular departments of Government, why, what object could be more easily served by such department publishing its views on a particular subject in a leaflet of its own. The Bureau exists merely as a post office in this matter and serves no other purpose.

Then, there is one other point. The reason why the Incheape Committee did not propose a cut out of this department of Central Bureau of Information is, I think, very simple. The Bureau stood on a temporary footing, being called into existence during the time of the War. The Bureau was not intended to live for all time to come. It is for this reason that the Incheape Committee left the Bureau untouched.

Now, coming to the particular expenditure incurred by the Bureau, there is an item of Rs. 50,000 provided as a new expenditure. I invite the attention of Honourable Members to page 40, in column three against Miscellaneous charges in connection with publicity work. There is a new item of expenditure put down as Rs. 50,000. This, I think, can easily be cut down, without even abolishing the department or impairing its activity to any appreciable extent. No indication is given as to how this large amount is going to be spent and I think I am on safe ground when I suggest that this estimated expenditure of Rs. 50,000 may be cut down. Sir, I move my amendment.

Mr. B. S. Kamat: Sir, I believe the Mover of this amendment has taken a very narrow view of the duties of the Publicity Department. I believe the duties of a Publicity Department are two-fold, first in respect of publicity abroad, regarding the actions and the doings of the Government of India for information of people abroad, and publicity within India. So far as

[Mr. B. S. Kamat.]

publicity abroad is concerned, I do not think there is any civilised Government which does not maintain some Publicity Department or other; and if we abolish our Publicity Department, probably we shall be doing a thing quite out of accord with what all the civilised Governments are doing at the present moment. Then, again, Sir, it is, I believe the Joint Parliamentary Committee which drew attention to the fact that the Government of India all these years were not doing their publicity work adequately, and the Joint Parliamentary Committee has pointed out that if the Government of India took necessary action in giving publicity to their policy and to their views in the right manner a good deal of misrepresentations and other unhealthy news which gets abroad or even which circulates within the country would be avoided. I, therefore, think that this Publicity Department has been brought into existence in pursuance of the recommendation of the Joint Parliamentary Committee. Then, Sir, so far as the work of this department is concerned within India, the Publicity Department is serving a very useful purpose in supplying both to the editors and to the public at large authentic information regarding various problems which the Government of India have to solve, the various policies which it initiates, and it is a link between the Government of India and the journals which circulate information for the country and the masses. Then, again, so far as the masses are concerned, they have to depend upon somebody, some agency, for authentic information. I believe the information supplied by this department is valuable in many respects. The Mover of this motion alluded to a certain pamphlet or leaflet with reference to the question of Company *versus* State management. Those who hang their argument on one particular issue or one particular incident and argue from it so large a question that the whole of this department should be abolished or Rs. 50,000 should be cut down, take indeed a very limited view of the matter. If, for instance, a particular Communiqué is issued, say, by the Government of India as a whole which is against the wishes of a particular section of the public or of this House and if someone were to propose that because a particular Communiqué was not in accordance with the views of a particular section of the community, is it fair that the whole of the Government of India should be censured or their activities cut down? I believe that would be carrying the matter too far. On the whole, I think this department is doing very useful work, and if the information which ought to reach the masses in larger proportion does not reach them it is an argument in favour of strengthening the department rather than curtailing the activities of that department.

Rao Bahadur T. Rangachariar: Sir, as a Member of the Publicity Board and as Chairman of the Madras Publicity Board, I may mention what the functions of a Publicity Department are and should be. They act as interpreters of the Government to the people and of the people to the Government. These are the two-fold objects in view. When the Publicity Department was constituted in Madras and also, I take it here, in the first year when I came here, I found the Publicity Department of the Government of India was entirely an officially run organisation. In fact when this question came up in 1921, I pointed out to the Assembly and to the Government the desirability of forming a Board with non-official majority, so that the guidance of the policy of publicity should be in the hands of a responsible Board and not in the hands of merely interested Government Departments. Sir, that suggestion was acted upon in a way but not to my entire satisfaction. At the same time, I accepted a seat inside

that body, and from inside that body I have been agitating for re-constitution of that Board, and I am glad to say we have succeeded in that attempt. Sir, instead of the Board being merely composed of selected non-officials and officials, we have provided for a new constitution by which the majority of the Board are to be elected, 7 from this Assembly and 2 from the Council of State, with 3 non-officials selected from outside, specially people connected with the press and 3 officials only. And we have also made proposals that rules for the guidance of the Publicity Department, including the Budget relating to that Department, should be laid down by that Board. Publicity is essential in all respects. My Honourable friend has referred to a single instance in which the Railway Board view was presented to the public. When the matter came to the notice of the Board, we passed a Resolution that opportunities should be given to those who hold the opposite view to express their view in the matter and we laid it down for the guidance of the Publicity Officer that, whenever any controversial question arises, equal opportunity should be given for both sides and well informed people should be invited to give expression to their views, whichever side they take. So that that is on the records. Sir I do not know how many Honourable Members have used that Department. I have used it myself for my work here. Whenever I want information on any question which comes up for discussion in the Assembly, I appeal to that Department and get the cuttings relating to the particular subject and post myself with regard to it. What prevents Honourable Members from using the Department in that way? It is intended for that purpose. Let us look at it from another point of view. You have here so many departments where you complain work is duplicated. If you go to the Industries Department, they refer you to the Commerce Department. If you go to the Commerce Department, they refer you to the Health Department; if you go to the Health Department, they refer you to the Education Department. In that way you have to go fishing for information, searching for information. Sir, my ambition is to have a clearing house where both the Government and public can get the information and statistics on every point which comes up for discussion in this Assembly and the Council of State. Where else can you get it? You must have co-ordination. Otherwise the Posts and Telegraph Department will have their department of information and intelligence and other departments will have their departments of information and intelligence, and in that way you will be employing numerous officers. There is great scope for Indians training themselves in publicity. This department ought to act as a means for collecting information, comparing statistics, presenting them to the public in a readable form. How many of us look at the reports and the statistics and figures in them and come to right conclusions based on those figures? Sir, the mission of this Department is to produce leaflets explaining the administration, the statistics bearing upon it and the right conclusions to be drawn from them, and to put people in the way of thinking for themselves on statistics and public questions. Sir, this is the work to be done. You do want a highly qualified man to run that Department. I ask my Honourable friend to read a recently published American publication called "Public Opinion." There is a whole chapter relating to intelligence, intelligence which the Government should have, intelligence which the public should have. Simply because Honourable Members are offended at one leaflet issued to go and launch upon a crusade like this upon a Department is rather discouraging for work of this sort. Sir, I think we ought emphatically to express our opinion that there should be only one department where all departments

[Rao Bahadur T. Rangachariar.]

should go for information, where the public should go for information, and I hope the Government have agreed to our proposals. It was only last week we made our proposals about reorganisation and I hope His Excellency the Viceroy has accepted our recommendations in that case. I say it is a good beginning. I was very sorry when I saw in the papers that the Madras Publicity Board was abolished. Sir, we in Madras did not dabble merely with Government information, we issued leaflets on industrial matters, organised lectures on various matters of public interest and educated the people in various ways and made them think for themselves. On account of the financial stringency, thanks to the Honourable Sir Malcolm Hailey's refusal to reduce the Provincial Contribution, Madras has had to starve in many ways and I am very sorry this Department has come under that ruthless blow. Sir, I hope we will not repeat that mistake here. I earnestly appeal to the House not to repeat it.

Mr. Darcy Lindsay: Sir, I thoroughly agree with my Honourable friend, Mr. Rangachariar, in his strong advocacy of an increase rather than decrease in the grant for publicity work. To my mind, Sir, had there been more publicity in India, some of our past troubles would have been greatly lessened. The Government of India meets with much abuse, but all the same it does very excellent work that the people at large know nothing about. This never gets to them and it is only the alleged misdeeds that are magnified. What we want to get to the people is the good work done by the Government in the interests of the people. I know a little about this publicity work, Sir. When the war was on the Government of India formed a Publicity Department, with the special object of spreading throughout the country true news regarding the war, and the reasons for rise in prices which was so largely affecting the people. In Bengal as well as in Madras there was a Board formed for this publicity work. Pamphlets were issued, lecture parties were formed, and we started a newspaper, as I think was also done in many other Provinces. When the war came to an end, owing to the tightness of money, the Government shut down all this very useful publicity work. As I said in my opening remarks, had this only been continued, much of our recent troubles would have been prevented. With these remarks, Sir, I strongly oppose this amendment.

(Honourable Members: "The question may now be")

The Honourable Sir Malcolm Hailey: I know that there are many friends of this Department here and I need only add a few words to what they have said on its behalf. A Government without some organization for publicity is like a human being without eyes and without a voice. You may just as well try to govern in modern conditions without proper publicity, as to undertake any other difficult operation in life without being able to see what you are doing, or to express your ideas intelligibly. I am unfortunate this evening; I am indeed in a very difficult position. I believe the House wants us to spend a great deal more on this Department. I believe if we had put in twice the amount, the House would have seen it through, and the difficulty that I have to face is this, that having engaged to reduce some Rs. 87,000 on behalf of the Finance Department to satisfy the claim of Rs. 97,000 put forward by the Incheape Committee, my Department, in a fit of ill-timed thrift, has proposed to make certain deductions in the original demand for the Central Bureau of Information. I know that, if I were to go through these reductions now, revealing the details to those who have advocated the Department to the House, it would

be so heart-rending to them that they would turn on me on some future occasion and vote a reduction which I did not want because I have made on this occasion a reduction which they do not want. I will only say this that I fully recognise what Mr. Rangachariar said regarding the necessity of having as wide a non-official basis as possible for the Committee which is to advise and guide this Department.

Mr. Jamnadas Dwarkadas: Has the proposal for the change of name been accepted?

The Honourable Sir Malcolm Hailey: The proposal put forward by the sub-committee for the constitution of the advising and guiding committee has been accepted and will be given effect to. The question of nomenclature is one which we could discuss at any time. I don't think the Department would do any better work under another name, but, if the Advisory Committee would like a variation, I should be prepared to accept it.

Rao Bahadur T. Rangachariar: I think it has already been done.

Mr. Deputy President: The question is:

"That the provision under sub-head 'Central Bureau of Information', under the head 'General Administration (Home Department)' be reduced by Rs. 80,000."

The motion was negatived.

Dr. Nand Lal: Sir, I have studied the question again and I am, now, of opinion that this is a very useful Department, namely, the Bureau of Central Intelligence. Therefore, I do not propose to move this motion.*

Sir, the whole subject has been fully discussed with reference to a number of amendments, and therefore, in the interests of the economy of time, I do not propose to move this motion.†

Rao Bahadur T. Rangachariar: Sir, as we are entering a new Department, Education and Health, and as there are one or two points especially with regard to the Army Department which will take time and which we cannot enter into to-day, may I suggest that we adjourn now?

THE MUSSALMAN WAKF REGISTRATION BILL.

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): Sir, I beg to present the Report of the Select Committee on the Mussalman Wakf Registration Bill.

The Honourable Sir Malcolm Hailey (Home Member): I wish to announce that various representations have been made to me on a matter of interest to the Assembly. It has always been customary before any of

* "That the provision for Bureau of Central Intelligence under sub-head 'Home Department' be reduced by Rs. 36,000."

† "That the demand under sub-head 'Home Department' be reduced by Rs. 50,000."

[Sir Malcolm Hailey.]

our previous Councils dissolved to have a photograph taken of the entire body. The question of dissolution is still no doubt far away, but it was felt by many of its Members that, as perhaps the meeting in Simla might not be a full one, it would be advisable to take a photograph here. It is proposed, therefore, to have a photograph taken at 10.30 on Monday morning at the Secretariat.

The Assembly then adjourned till Eleven of the Clock on Friday, the 16th March, 1923.

LEGISLATIVE ASSEMBLY.

Friday, 16th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

VENDORS AT N.-W. RAILWAY STATIONS.

565. ***Mr. W. M. Hussanally:** 1. How many Mahomedan and Hindu Vendors of food-stuffs are there on the Sind Section of the North-Western Railway?

2. Are there any rules regulating the vend of food-stuffs on the North-Western Railway?

3. What stuffs are Mahomedan vendors allowed to sell and what the Hindu vendors?

4 (a) Is it a fact that the Railway have recently imposed a license fee upon these vendors?

(b) If so, how much per year?

5. Is it a fact that vendors of food-stuffs at Railway Stations are obliged to pay a sort of annuity to the station staff to propitiate them; and are also required to serve the station staff without remuneration?

6. Do Government propose to appoint a Committee of Officials and Non-Officials to inquire into the complaints against railway servants of corruption and suggest remedies?

Mr. O. D. M. Hindley: (1) There are 63 Hindu and 10 Mahomedan vendors on the Sind section of the North-Western Railway.

(2) The reply is in the affirmative.

(3) A list of articles sold by vendors on the station platforms, etc., on the North-Western Railway is being furnished to the Honourable Member separately.

(4) (a) and (b). No license fee is imposed upon vendors on the North-Western Railway.

(5) and (6) The reply is in the negative.

REHABILITATION OF GOVERNMENT PAPER.

566. ***Mr. R. A. Spence:** Will the Government be pleased to state what action they propose to take in regard to the findings of the Committees appointed in 1921 in Bombay and Calcutta to consider the rehabilitation of the 8 per cent. and 8½ per cent. Government Paper?

The Honourable Sir Basil Blackett: After a great deal of enquiry and consideration, Government have come to the conclusion that no specific measure of rehabilitation is practicable and that improvement in the value of these securities must be the gradual result of the general rehabilitation of India's finances.

Mr. Darcy Lindsay: Will the information contained in the Report be published or made available for Members of the Assembly?

The Honourable Sir Basil Blackett: If Members of the Assembly desire it, it can no doubt be published.

Mr. R. A. Spence: May I ask that the information be published? I think it would be most interesting.

The Honourable Sir Basil Blackett: Possibly it would be better before answering that question to wait and see what the information is.

GAZETTED APPOINTMENTS IN ORDNANCE DEPARTMENT.

567. ***Mr. Sambanda Mudaliar:** Will the Government be pleased to state:

- (a) The number of Gazetted appointments in the Ordnance Department of Government of India.
- (b) Whether any of these Gazetted appointments is being held by an Indian? If not, why not?
- (c) Whether Government is aware of the grave discontent among Indian Officers drawing a salary of Rs. 200 and more in regard to their claims to Gazetted appointments being overlooked?
- (d) Whether Government will be pleased to consider the advisability of appointing Indians for Gazetted posts in the Ordnance Department of the Government of India including Factories?
- (e) Whether Indians employed in the Ordnance Department including Factories are granted leave under Civil Service Regulations? If not, why not?

Mr. E. Burdon: On the presumption that the Honourable Member's question refers to civilian appointments in the Ordnance Department, the answers to his questions are as follows:

- (a) Twenty-six.
- (b) and (d) None of these appointments is held by an Indian. There is nothing to prevent an Indian from being appointed to any of these posts provided he possesses the requisite qualifications.
- (c) No.
- (e) The answer to the first part is in the affirmative. The second part does not arise.

WORKING OF SALT DEPARTMENT.

568. ***Bhai Man Singh:** (a) Will the Government be pleased to state which of the salt mines are worked under the Northern India Salt Department and the expenses of which are charged under that heading; and which of these mines are situated in the Punjab?

(b) Which of the officers and other establishment mentioned in demand No. 3, under the heading of the Northern India Salt Department are common to all the mines under the Northern India Salt Department and which are working solely at the Warcha, Khewra, Jammu and other salt mines in the Punjab and at Sambhar, respectively, and what is the total pay drawn by such officers at each of these mines?

(c) Are the accounts of the said mines kept separately and if so, are shares of the pays of the officers common to all the mines adjusted in their accounts and if so, what are the respective shares charged to the account of each mine?

(d) Will the Government be pleased to state separately the expenditure on officers establishment and working of the Khewra, Warcha, Jammu and other Punjab salt mines including expenses incurred on preventive establishment and otherwise?

(e) Will the Government be pleased to state separately the income of the said mines?

(f) How much increase of income does the Government expect from these mines by the improvement made during the current year and proposed to be made during the next year (1923-24)?

Mr. A. H. Ley: (a) The salt mines now worked by the Northern India Salt Revenue Department are the Salt Range Mines at Khewra, Warcha and Kalabagh in the Punjab. Other salt sources worked by the Department are the quarries in Jatta, Bahadur Khel and Karak in the Kohat district of the North-West Frontier Province, the evaporation sources of the Sambhar Lake, Didwana and Pachbadra in Rajputana, and the small brine works at Sultanpur in the Gurgaon district of the Punjab.

(b) The staff which may be considered common to all the sources mentioned above (that is, mines, quarries and "evaporation" sources) is as follows:

- 1 Commissioner.
 - 1 Deputy Commissioner.
 - 1 Personal Assistant to Commissioner.
 - 1 Consulting Engineer (temporary).
 - 16 Clerks, permanent.
 - 17 Clerks, temporary.
 - 1 Kotgasht.
 - 3 Jamadars.
 - 1 Daftri.
 - 21 Peons.
- } In Central Office.

I will give the Honourable Member a printed list of officers and establishment of the Northern India Salt Revenue Department, which gives in detail information of the staff employed at the different sources and the rates of pay drawn.

(c) The accounts of the said sources are kept separately, but no share of the pay of the officers common to all is adjusted in those accounts.

(d) Figures for each source separately are not available. The expenditure for 1922-23 on officers, establishment and working of the Salt Range Division as a whole including expenses on preventive establishment but

excluding expenditure on bags and despatches (recoverable from traders), is estimated to be as follows:

					Rs.
<i>Salt Range Division.</i>					
Pay of officers	...	...	...	...	98,000
Pay of establishment	...	...	...	...	1,97,000
Working charges	...	...	...	...	11,81,800
TOTAL					14,71,800

(e) The income of the Salt Range Division for 1922-23 is estimated at Rs. 69½ lakhs.

(f) It is impossible to give an estimate with any correctness of the increased output to be anticipated from a portion only of the developments ultimately projected, but the improvement scheme for the Khewra and Warcha mines as a whole aims at an ultimate increase in output of about 40,00,000 maunds annually, which means increased receipts in duty of half a crore at the rates of duty previously in force, viz., Rs. 1-4 a maund and a crore at the rates at present in force.

INSPECTION OF INCOME-TAX ACCOUNTS.

569. ***Bhai Man Singh:** 1. Is the Government aware that paragraph 64 printed on page 105 of the Income Tax Manual, 1922, makes it discretionary for the Income Tax Officers to call for Account Books even after the submission of Audited Statement of Profit and Loss?

2. Is it a fact that this discretion is greatly abused and assesses are compelled to submit accounts even after they get them audited as provided in the Income Tax Manual?

3. Is the Government aware that such Account Books when submitted pass through several hands, the Munim, the Inspector, the Head Clerk and the Income Tax Officer?

4. Is it a fact that in the majority of cases facts coming to their notice in the course of examination of Account Books are disclosed, to the great detriment of the interest of the assesses?

5. Is the Government aware that a very respectable firm of Ambala Cantonment is alleged to have suffered through such disclosure and has complained about it to the Income Tax Officer concerned?

6. Are the Government prepared to consider the question of issuing instructions to the Income Tax officers directing them not to call for an inspection of the Account Books of an assessee where the statement of profits and loss has been duly audited by qualified Auditors or at least not to so call for the books unless there are very special reasons which should be recorded in writing for doing so as well as to direct that very serious notice be taken in the case of any such disclosure?

The Honourable Sir Basil Blackett: 1. Sub-section (4) of section 22 of the Income-tax Act empowers the Income-tax Officer to call for such accounts and documents as he may require from any person who is liable to make a return of income.

2. The accounts have to be examined even when an audited statement of profit and loss is produced.

3. Account books produced before an Income-tax Officer may pass through more than one hand in the Income-tax office, but all particulars contained in such accounts are to be kept confidential by the income-tax employees who are liable to be punished under section 54 of the Act for disclosing any such information.

4. No such complaint has been received by the Government.

5. No.

6. An audited profit and loss account is not a correct statement of the profits liable to income-tax, and it does not appear necessary to amplify the instructions contained in paragraph 64 of the Income-tax Manual against the unnecessary detention of the books of an assessee.

THE BUDGET—LIST OF DEMANDS

SECOND STAGE—*contd.*

DEMAND NO. 14—GENERAL ADMINISTRATION—*contd.*

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, with Mr. Rangachariar's permission, I beg to move his motion No. 284, which runs as follows:

"That the provision for Assistants, Clerks, etc., under sub head 'Department of Education and Health' be reduced by Rs. 100."

I shall confine my remarks solely to one institution in Delhi, and that is the Lady Hardinge Medical College whose finances as admitted by the Honourable the Education Member are in a very unfortunate position. It is a very unique institution and I think the Government should do something to make that institution a successful one and not allow it to die of starvation. It is an institution in which female students alone are allowed to pursue their studies; and when I say that we in Madras have got an exceedingly good institution and that it does not attract even two or three women for the medical degree whereas that even from Madras as many as ten women are studying here for the purpose of taking degrees, it shows how popular this institution is. In this country co-education is not possible to the same extent as in other countries. We can send here our girls to take their degrees in an institution entirely managed by women, in which male students do not study; and that is the reason why this institution is so very successful; I think nothing should be done to make that institution less useful than it is at present, and I am quite sure that the Government have no intention of doing it. I believe there is some difference of opinion as regards the position of this institution owing to the attempt which is being made by the college authorities to have the science department within the institution. The Vice-Chancellor of the Delhi University put certain questions to show that it should be affiliated to the University of Delhi. I may say that I have very great sympathy with the functioning of the Delhi University; but I will say this much also that if it comes into conflict with the Medical College I have no doubt what my position would be. I will certainly not allow the Medical College to die out and the Delhi University to gain by the dying of that institution. We must do everything that lies in our power to see that

[Mr. T. V. Seshagiri Ayyar.]

this institution is successful, and we want the science class in the Medical College itself, because if it is a science class in the University, male students will also attend it and as I said already female students will not go to a school largely where male students are reading. Under these circumstances it is absolutely desirable that there should be a science department in the Medical College itself and I hope the Honourable the Education Member will see his way to give sufficient funds; as he admitted the other day when I put a number of questions that there is a deficit; this institution should not be allowed to be in that unfortunate position. This institution has also got a hospital which is one of the most popular hospitals that we have in India. They have also an exceedingly good hostel attached to the institution. I am not quite sure whether I have set a good example, because I am particularly anxious that I should not set a bad example. I was almost going to ask you if it is in your province to fix five minutes limit for discussions this day, because there are a large number of subjects to be dealt with which we must get through; and I hope I have not set a bad example for speaking for a long time. I have tried to bring by remarks within the five minutes limit and I shall ask others also to impose this limit upon themselves.

Dr. H. S. Gour (Nagpur Division: Non-Muhammudan): I do not know whether you have already ruled in anticipation of the request made by my Honourable friend, Mr. Seshagiri Ayyar, that all speeches shall be retrenched to five minutes, but I hope to curtail my remarks within that compass. I think my friend has entirely misunderstood me if I gave him the impression that I was opposed to the continuance of the Lady Hardinge Medical College for which I have the warmest regard. It is also wrong on the part of my learned friend to assume that we wish in any way to cripple the resources available for the management of that college. What we, on this side of the House desire, Sir, is to make the Honourable the Finance Member a little more charitable to the subject of Education. The Income tax was particularly sharp upon Education and it seems to have got blunted after the Educational grants were cut. The result has been that the subject of Education, Public Health, Sanitation and all the nation-building departments have suffered heavily at the hands of the Income Committee; and it is with that object in view that I put certain questions on the last occasion, but if the Honourable the Finance Member desires to take the sense of this House, I have no doubt that the sense of this House so far as the non-official Members are concerned is strongly and unanimously in favour of making generous grants to educational institutions, Lady Hardinge College as well as the University of Delhi and its constituent Colleges. If he is generously disposed, we have no doubt whatever, Sir, that the Lady Hardinge College will get the grant which it so badly and sorely needs.

The Honourable Sir Basil Blackett (Finance Member): May I just ask, Dr. Gour, Sir, where he hopes to get the money from?

The Honourable Mr. A. C. Chatterjee (Education Member): Sir, my Honourable friend, Mr. Seshagiri Ayyar, has made this motion, I take it, to draw the attention of the Government to the needs of Lady Hardinge Medical College. I do not desire to interfere in the internecine warfare between the Democratic Party and what I may describe as the remnants of the Democratic Party. I think my Honourable friend, Mr. Seshagiri

Ayyar, knows perfectly well that Government have always been extremely sympathetic towards the needs of the Lady Hardinge Medical College. As a matter of fact, even at the present moment, the bulk of the amount needed by that College is furnished by Government, and I am sure that my Honourable friend, Sir Basil Blackett, will be sympathetic towards any reasonable demand that may be made on behalf of that College. But at the same time I hope that my Honourable friends here will endeavour to raise private donations on behalf of that College. I do not think it is desirable that any institution of this sort should depend entirely on Government support. I shall take this opportunity, Sir, to furnish the information which my friend, Mr. Rangachariar, asked for yesterday with regard to the Medical Research Institute. The position with regard to that Institute was that the Government made an annual grant of Rs. 5 lakhs to the Medical Research Fund Association, and Government have also, altogether, a staff of 25 officers in the Bacteriological or Medical Research department. Of these 25 officers, 9 are employed in provincial institutions and are paid for by the provinces. Three or four of these officers—I do not know exactly which—are attached to the Kasauli Institute which is a Central Institution. The remaining 12 officers—some Indians and some Europeans, some of them I.M.S. officers and some non-I.M.S. officers—are out in the field doing actual research work. Of the Rs. 5 lakhs grant to the Association, about Rs. 2½ lakhs are saved every year in order to make up a capital fund for the building of this institute. The rest of the money is spent on the activities on which these officers are at present engaged. The Government of India have always been extremely anxious to devote money to Medical Research in furtherance of the interests of India as a whole. The question, however, was examined by the Retrenchment Committee, and, as Honourable Members are aware, the Retrenchment Committee have recommended the practical extinction of the department. As my Honourable friend the Finance Member has already said, this is one of the questions which is at present under the consideration of the Government of India, and I am unable to say what the final decision would be. There are two possible courses open, either the course which has been recommended by the Retrenchment Committee or the alternative by which we can retain a skeleton machinery for continuing Medical Research and when finances improve to renew the grants to the Medical Research Association for the building of the Institute. Personally, Sir, I hope that a broader spirit will prevail, but, as I have said, it is impossible to anticipate the decision of the Government of India, and I hope my Honourable friend will be satisfied with the explanation that I have been able to furnish him.

Mr. T. V. Seshagiri Ayyar: I do not press my motion, Sir.

Mr. J. P. Cotelingam (Nominated: Indian Christians): Sir, I would like to say a few words on the fate of Education at the hands of the Retrenchment Committee, and the action taken or proposed to be taken by the Government of India on the recommendations made. Honourable Members will see from page 196 of the Report of the Retrenchment Committee that they recommend that the scheme of the University of Delhi be reconsidered, and that the grant to non-Government Arts Colleges and to the Delhi University be reduced. Sir, I would like to say at the outset that while the Members that composed the Committee were expert businessmen and sharp in the use they made of their axe, they did not profess to be experts in matters educational. From the recommendations they have made, they do not seem to have realised that they were to a

[Mr. J. P. Cotelingam.]

very large extent counting upon the educational experience of their student days. For example, in the matter of grants, they have proposed the apportionment of grants according to the number of students that attend schools or colleges. That is an exploded theory. We would like to give more attention to quality than to quantity. A school or a college may by lowering its standard attract a very large number of pupils and be able to earn a large amount of grant. In the Madras Presidency some years ago aided schools, especially primary schools, were given what were known as "results grants". On the results produced at inspection or examination, the amount of grant to the various schools was determined. It is a matter for regret that the Retrenchment Committee should give expression to a piece of fallacious reasoning, when in the matter of grants for primary education, they should state that the grants should be fixed on the basis of an average of one teacher per 25 pupils rising to one teacher per 30 pupils. It should be the other way about. Time was when, owing to the paucity of trained teachers in our schools, we were obliged to have a larger number of pupils in a class than an ordinary teacher of ordinary capabilities could manage. We are now looking forward to the time when we shall have trained teachers in all our elementary and secondary schools and have fewer pupils in a class so they can be handled in a satisfactory manner by the teacher. Therefore, instead of fixing the grant at one teacher for 25 pupils, we hope to provide larger grants on the basis of one teacher for less than 25 pupils.

The grants to the three colleges, the constituent colleges of the University of Delhi, are to be reduced. I must state that if the grants are cut down, these three colleges, and especially St. Stephen's College, the foremost of the three, cannot go on. Government has already laid down the policy of education, namely, the allotment of an increasing amount of grant to schools and colleges which continue to be efficient. If the grant is all at once to be cut down on the recommendation of the Retrenchment Committee, Sir, I must say that it will amount to a breach of faith. The cutting down of the grant to education, be it to the University or to aided colleges, or to secondary schools is "the most unkindest cut of all". Educational expense in the maintenance and in the strengthening of colleges is bound to increase, and to fix it, as the Retrenchment Committee has recommended, is tantamount to a reduction. The colleges are trying to cope with the situation created by the establishment of the University. They are trying to improve and increase their staff. It will therefore take not less than 10 years or so before they can reach their normal standard of increase and development. If the grant that is now proposed to be cut down on the recommendation of the Retrenchment Committee is to be given effect to, I fear these three colleges may soon go out of existence. There are no local bodies that will come to their rescue if Government should reduce or withdraw their grant. And if these three colleges should be weakened by the reduction of the grant as proposed by the Retrenchment Committee, it will mean this, that Government will have to establish a college of their own and maintain it at an exorbitant cost. There is only one other alternative, if the grant to the colleges is reduced. Fees will have to be increased, and if fees have to be increased, fees will also have to be increased in the Punjab. If the standard rate of fees is not raised the Delhi Colleges cannot afford to raise their fees. Depending upon the support that Government will give, the management of St. Stephen's College have obtained large support from their Missionary Society, as also

from the Cambridge Mission, and if Government is to withdraw their grant I am pretty certain that their supporters in Cambridge and in the S. P. G. Society will withhold or reduce their support. Honourable Members know that the staff of the college is very efficient. There are seven Englishmen from the University of Cambridge or other Universities and on their Indian staff professors who are distinguished men of Indian and European Universities. If this support is withdrawn, the staff will soon find other places where their services will be required.

I trust that the appeal made on behalf of the Lady Hardinge College will receive due consideration, and that the grant required for the maintenance of that College will be increased, that the grant already promised to the Delhi University will be continued, and the secondary schools and colleges in Delhi will, instead of having their grants reduced, have them increased in proportion to the work that they are doing and are expected to do. Sir, in the same strain throughout the chapter on education the Retrenchment Committee have proposed reductions. No doubt they recommend that large grants should be given for the support of primary education and they are right there, but when they recommend that, in the interests of economy, grants to secondary schools and colleges be cut down I think they are making a fatal mistake. It would be a suicidal policy to reduce or cut down the grants that are being given to maintain educational institutions. With these few remarks I resume my seat.

Mr. T. V. Seshagiri Ayyar: I do not press my motion.

The motion was, by leave of the Assembly, withdrawn.

Dr. Nand Lal (West Punjab: Non-Muhammadan): Sir, I move:

"That the provision for one Educational Commissioner under the sub-head 'Department of Education and Health' be omitted."

Sir, as you know the Education Department is a nation-building department. Education moulds the character and helps to maintain life, and I think every one of us will have the sincerest sympathy with this Department. I may thus suggest to the Honourable the Finance Member that he will try to see that the Delhi University, which is one of the most desirable Universities, though she is the youngest one, may not suffer in any way. She may be maintained; she may be supported . . .

Mr. President: We have had that discussion. I thought the Honourable Member was going to raise some other subject.

Dr. Nand Lal: I am not referring specifically to that subject; I am going to make a submission before the Finance Member that he may try to protect these institutions. If he wants money, I shall give him cuts from other sources.

Mr. President: We have passed from that point. The money which Government are prepared to give for Education, was discussed on the previous amendment. The House is my witness that no one rose to continue that discussion. It is now closed.

Dr. Nand Lal: Thank you, Sir, I am always in favour of expedition of work. I want that all these colleges in Delhi may be supported and also the schools, that generous contributions may be made to them, and that in any case education here may not suffer in any way. But Sir . . .

Mr. President: The Honourable Member is not paying attention to my ruling. He must discuss his motion to reduce the vote for the Educational Commissioner's Department.

Dr. Nand Lal: I have attained the point which I have wanted to achieve.

Now, Sir, while I am in favour of the Educational Department, I am not in favour of any kind of extravagance. Now, when I go into the matter, what do I find? On page 43 under the heading "Educational Commissioner", I find a salary of Rs. 2,500 to Rs. 3,000 or Rs. 35,470 allotted for the purposes of this officer. To my mind it does not seem to be at all necessary under the present state of affairs when Education is a transferred subject.

Mr. President: I did not quite appreciate what the Honourable Member was moving. The Educational Commissioner is a non-votable item.

Dr. Nand Lal: The Educational Commissioner is a non-votable item?

Mr. President: Yes.

Mr. R. A. Spence (Bombay : European): It is printed in italics on page 43.

Dr. Nand Lal: My motion is No. 289, and the next one, namely, 290 is also mine.

Mr. W. M. Hussanally (Sind : Muhammadan Rural): May I, Sir, know if the Chair has ruled that all speeches should be confined to five minutes. Dr. Nand Lal has exceeded that time.

Mr. President: In any case the Honourable Member must move something else.

Dr. Nand Lal: May I inform Mr. Hussanally that I am as obedient to the order of the Chair as he is; he should not intervene. I may be permitted to say that I am as amenable to discipline as he is. I am not satisfied, Sir, that this is a non-votable item.

Mr. President: I am quite satisfied that it is.

Dr. Nand Lal: If you say so, Sir, then I must accept it and resume my seat.

Mr. J. Chaudhuri (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural): Sir, I move the motion that stands in my name, namely,

"That the provision for Educational Commissioner under the sub-head 'Department of Education and Health' (page 43) be reduced by Rs. 40,000."

Mr. President: That also, I am afraid, is out of order because the entire vote for the Educational Commissioner is Rs. 54,210, of which the votable portion is only Rs. 10,740.

Mr. J. Chaudhuri: I move this for the purpose of eliciting information. As I have often stated, the total non-votable item might come up to that, but the salary of the Educational Commissioner comes up to Rs. 32,270, which is non-votable; the Curator, Bureau of Education, Rs. 10,140, is votable, and several other items which come up to Rs. 1,14,000. . . .

Mr. President: The Honourable Member need not repeat this sum. I have already informed him that his motion is out of order in its present form.

Mr. J. Chaudhuri: Might I modify it and say that the amount be reduced by one rupee. I raise a question of principle and nothing more, and I want information from the Honourable Member in charge of Education. I moved a similar motion last year and I left it to the Department and also for the consideration of the Retrenchment Committee. On page 130 of the Retrenchment Committee's Report they take precisely the same view that we did last year. They say:

"We do not consider that there is any justification for the retention of the Educational Commissioner, the Bureau of Education and the Central Advisory Board, costing about Rs. 1,00,000 or for the retention of the Department as a separate entity."

The Honourable Mr. A. C. Chatterjee: May I interrupt at this stage in the interests of the economy of time. I expect that my Honourable friend, Mr. Chaudhuri, is raising the question whether these officers ought to be kept on in spite of the recommendations of the Retrenchment Committee. I wish to point out to him that my Honourable friend, the Finance Member has already taken credit for a very large sum in order that the recommendations of the Retrenchment Committee might be given effect to, so far as possible, and the question of the retention of all these officers and offices is at present under consideration, and I do not think any useful purpose will be served by a discussion at the present moment.

Mr. J. Chaudhuri: Sir, I do not press my motion but I may offer some suggestions with regard to that. We do not want that the useful work that is being done in this Department should be discontinued, but we only want that economy should be effected. There are, at present, two Departments, one under the Educational Secretary and another under the Educational Commissioner. The Educational Commissioner is a member of the Indian Civil Service and he might be usefully employed elsewhere. (A Voice: "He is not.") The work of the Department may be carried on by the Secretary and one Assistant Secretary. The Department collects a lot of information which is useful in the provinces. I do not wish at all that the purpose that this Department serves and the useful work that is being done by it should be discontinued, but I suggest that the two departments should be amalgamated and economy effected, and only a sufficient staff should be retained for the purpose of carrying on the work that belongs to the Central Government. Formerly, this Department looked to Education outside the Central Government, for instance, the Calcutta University, and education all over India. Those are now transferred subjects and the provinces look to their own education. But this Department should exist for this reason that they sometimes require information regarding other provinces and sometimes of the foreign Universities, and I know that the Central Government keeps up-to-date information with regard to the progress of education in other parts of the world. I do not wish that these activities should cease, but my contention is that the Department should only keep a sufficient staff and a minimum staff, through which they can carry on their work; and, as my Honourable friend has said that the matter is receiving consideration, I am prepared to withdraw my motion.

The Honourable Sir Basil Blackett: Sir, I rise in connection with the point of order that was raised just now. I think there is a certain amount of room for misunderstanding. Dr. Nand Lal's amendment No. 289 was

[Sir Basil Blackett.]

that the provision for one Educational Commissioner be omitted. That would, I submit, be clearly out of order because it is one Educational Commissioner who is non-voted, but the whole of the Rs. 1,14,000 is for the Educational Commissioner with the Government of India, that is the office.

Mr. Chaudhuri's amendment No. 291 is in order or not according as whether Educational Commissioner means the particular item only or the general sub-head.

Mr. J. Chaudhuri: Sir, I have reduced it to Re. 1. I have taken off Rs. 39,999.

Mr. President: The question is:

"That the provision for Educational Commissioner under sub-head 'Department of Education and Health' be reduced by Re. 1."

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Sir, it seems to me rather extraordinary that the Government should take advantage of the provision that when you do not require to spend money at all the old item should not be wiped out from their Demand for Grants. The Honourable Sir Basil Blackett sits there without explaining in full and giving satisfaction to my Honourable friend Mr. Chaudhuri as to whether it is necessary at all to keep up the appointment of a member of the Indian Civil Service as Commissioner of Education. Education has become for some time past a transferred subject. We are paying Rs. 5,333, to a Minister per month in almost every province . . .

The Honourable Mr. A. C. Chatterjee: May I rise to a point of order, Sir. May I ask whether Mr. Chaudhuri withdrew his motion or not? I thought, Sir, that he withdrew it.

Mr. K. Ahmed: Neither, Sir, has my Honourable friend, withdrawn it, nor has the leave of the House been granted; and I am perfectly right in asking again for our satisfaction on this question, whether you require the services of an Educational Commissioner at all. If you do not, is it right for you to say that the item is non-votable and therefore you must rule me out. He says "Look here, the Demand and the contents of this budget are non-votable and you cannot move your motions" and here is our President who says it is out of order to vote on the motion. My Honourable friend, Dr. Nand Lal, again, on account of an oversight, or probably his eye-sight being defective did not see the *italics* properly. However that may be, Sir, it is clear that the services of an Educational Commissioner are not necessary, and still Sir, this Government will not do anything. We have always accused the Government of spending money like this, and it seems to me this is the proper time when we may ask for an explanation to satisfy this House that this post of Educational Commissioner, on which we are spending so many thousands of rupees a year is necessary.

Mr. W. M. Hussanally: Sir, on a point of order. Can we discuss this question of the Educational Commissioner, which is a non-voted subject?

Mr. President: As I have already pointed out, the Honourable Member was out of order in attempting to move a reduction which included that particular item; but the question is open for discussion though not for a vote.

The Honourable Sir Malcolm Hailey (Home Member): Might I intervene for a moment? As I introduced the general head "General Administration" I should like to recall to the House the fact that it stood in the original demand for grants at Rs. 81,58,000. We propose to deduct from that, owing to the recommendations of the Inchcape Committee, 7½ lakhs. Might I suggest to the House that the real question at issue is whether from that general head we have now made the minimum necessary provision or not? That is really the main point at issue. Have we acted up fully to the recommendations of the Inchcape Committee and the requirements of retrenchment in this matter? If we have, the House should vote supply. As we saw yesterday, there are a large number of separate items, some of them votable, some of them non-votable, on which the House had its observations to make. I would say again that we are prepared to receive the observations of the House as regards the particular items under which we should make that retrenchment of 7½ lakhs to which we are bound. That reduction is in the voted head, but it is always possible for the House, as we know by experience to discuss other items on motions for reduction of establishment. That is to say, taking the case in point, the Educational Commissioner, himself a non-voted item, has an establishment. If the House thinks the retention of the Educational Commissioner to be unnecessary, it is always possible to point this out on a motion to reduce a clerk. So we do not really, by reason of the fact that he is non-voted, keep the question from discussion. But I wish to lay stress on this, that we are making a total retrenchment of 7½ lakhs out of a budget head of 81 lakhs. We are prepared to receive the criticisms of the House in regard to separate items. We do not in any way close a discussion because some of them are voted and others non-voted. But I suggest that the main point is, whether we have sufficiently complied with the requirements of the Retrenchment Committee, in deducting 7½ lakhs from a total of 81 lakhs.

Mr. K. Ahmed: Sir, I am nearly satisfied with the explanation that has been given by the Honourable the Home Member and I see his presence of mind is always ready to tackle a point, but it is not altogether satisfactory with regard to the point on which I wanted an explanation so that this House might have been satisfied that the Government of India, and specially the Finance Department, are not putting a thing which is not accurate.

Mr. President: The question is that the reduction be made.

The motion was negatived.

Mr. Harchandrai Vishindas (Sind: Non-Muhammadian Rural): Sir, Mr. Kamat himself, being ill, has authorised me to say that as he has been satisfied, probably for the considerations that the Honourable Sir Malcolm Hailey has just now put before us, that all that he wanted has been done, therefore this amendment* should drop out.

Sir P. S. Sivaswamy Aiyer (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): Sir, with your permission I should like to make one suggestion which might have the effect of saving a large amount of discussion, saving the time of the House and enabling it to pass on to other

* "That all votable items under the sub-head 'Educational Commissioner with the Government of India' be omitted."

[Sir P. S. Sivaswamy Aiyer.]

items. The real question is, as was pointed out by the Honourable Sir Malcolm Hailey, whether the Government have gone far enough to meet the recommendations of the Incheape Committee. They have made a certain amount of cuts. If instead of indulging in detailed criticism, and making these nibbling proposals to reduce something from this, something from that demand, we move one of those propositions which propose a lump cut under the total demand for General Administration—proposals ranging from a reduction of 5 to 20 lakhs—if some one of these proposals is moved, then we shall have the opportunity of expressing an opinion as to whether the head General Administration can bear an additional cut, and if so, by how much. That, I think will concentrate attention upon the main issue in the case.

I believe, so far as this side of the House is concerned, a very large number are of opinion that the head of General Administration can bear a little more squeezing. I for one should think that it can stand another cut of 5 lakhs. As a matter of fact, the proposals made by the Government fall short of the proposals of the Incheape Committee by about 13 lakhs. Therefore if we propose an additional cut of 5 lakhs, the requirements of General Administration will not be seriously interfered with and we shall not be paralysing the activities of the departments connected with General Administration. If this suggestion commends itself to my friends here, I hope that one of these propositions at page 24, Nos. 333, 334, 335 or 336 will be moved. I am sorry that Sir Deva Prasad Sarvadhikary is not able to be present this morning, but he was anxious that his proposition, No. 336, should be moved. If my friend, Mr. Samarth, or my friend, Mr. Ginwala, will move

Dr. H. S. Gour: You move it; we will accept it.

Sir P. S. Sivaswamy Aiyer: If you will permit me to do so, Sir, I should like to move:

“That the demand under head ‘General Administration’ (page 36), be reduced by Rs. 5 lakhs.”

This is the minimum amount of the cuts proposed under the head General Administration, in these Resolutions of which notice has been given—Resolutions Nos. 333 to 336. Among these proposals No. 336 is most moderate. I think from a practical point of view there is advantage in moving this proposal instead of many of these nibbling Resolutions.

Mr. President: But I have got to protect the rights of the nibblers. I should like to be able to assume with the Honourable Member that those Honourable Members are going to withdraw their motions in favour of his. (Cries of ‘Yes.’)

Mr. T. V. Seshagiri Ayyar: I may mention one point; there are departments with regard to which we want information; we do not want to move reductions by dribblets—that is not what we want, and we will no doubt accept the motion as regards the Rs. 5 lakhs. There are other departments as regards the expenditure on which we want information; we cannot raise such discussion if we are to have a general discussion only on the motion for reduction by Rs. 5 lakhs. These departments will have to be brought under the scrutiny of this House and we shall have to ask questions. We

are quite willing to accept the suggestion made by my Honourable friend that as regards the general reduction there should be a reduction of Rs. 5 lakhs, but some of the departments will have to come under the scrutiny of the House; that cannot be avoided—for example, the Army.

Mr. President: May I take it that that is the general sense of the House that we should have a reduction of say Re. 1 or Rs. 100 on each department on which discussion is desired, and in the end Sir Sivaswamy Aiyer will move a reduction of Rs. 5 lakhs? (Cries of 'Yes.')

Lieutenant-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): I rise to a point of order: I wish to talk on one Department in this amendment and I desire to know whether I shall be given an opportunity to do so.

Mr. President: Which department?

Lieutenant-Colonel H. A. J. Gidney: On the Medical Department. Sir, I wish to take advantage of this opportunity to ask the Honourable Member in charge of the Civil Medical Department certain information on various subjects. Sir, in my speech on the general discussion of the budget last year, I made certain general observations suggesting certain changes; one of the chief points I raised was that owing to the frequent overlapping, interchanging and dove-tailing of the functions of the Directors of both the Civil and Military Medical Departments, I considered that the appointment of one Director of the Medical Services in India, both civil and military, of course with an adequate staff, would be ample. Sir, from the Detailed Estimates we know what is the cost of the upkeep of the office of Director-General, Indian Medical Service; I am, however, unable to obtain a similar knowledge from the figures supplied to us in the Army Estimates as to the cost of the upkeep of the office of the Director, Medical Services in India, but I think I am right in saying that it stands at a much higher figure than the upkeep of the Director General, Indian Medical Service. We have here, Sir, two Directors with two complete and separate offices controlling one department in India, embracing as they do the medical needs, both civil and military of this country; each one necessitating a lavish expenditure of money. I submit that one Director with an adequate staff would be enough. Here I submit, Sir, is room for great economy in both civil and military Budgets. I regret to notice that in the Retrenchment Committee Report no remarks were made about this point. Certain retrenchments are suggested, such as the abolition of the appointment of Public Health Commissioner and the reduction of the clerical staff of office of the Director General, Indian Medical Service and other matters—making a total retrenchment in this department of something like Rs. 1,10,000. I find it very difficult to avoid referring to the military medical department; I am afraid I must do so. If one refers to the Retrenchment Committee Report on the expenditure of the military medical department it will be noticed that a total cut of over Rs. 50 lakhs is recommended. I consider that the time has come when these two departments or Directorates should be made into one. With such overlapping of functions and with such duplication of labour, I consider it is a waste of money to administer the medical needs of India from these two separate departments; each one costing such a large sum. I therefore put it for the serious consideration of Government as to whether further economies could not be effected on the lines indicated here. This is the first subject to which I wished to refer.

[Lieut.-Colonel H. A. J. Gidney.]

The second subject which I wish to refer is one which I am afraid the Honourable Member in charge of this portfolio will say that I am poaching on provincial preserves but I shall risk it because I feel I am treading on safe or already beaten ground. I refer to the Registration of Nurses in India. The various Provincial Councils who have been approached on this matter declare it to be an all-India question which can be dealt with by the Government of India only. Accordingly I approached the Government of India on the same matter and was told by the Honourable Member in charge that it was a purely provincial matter to be dealt with by them and not by the Government of India. I am therefore puzzled by the question of responsibility and I therefore ask for the indulgence of the House while I again refer to this matter. I would ask this House as also the Honourable Member in charge of this department to bear with me whilst I refer to the details in the training of nurses in India. We have in India various medical institutions giving a nurse's training to a large body of ladies, both Indian and of the domiciled community. It seems hardly necessary for me to refer to the very important place a nurse occupies in the treatment of the sick. Here in India we have a noble body of women who are given three or four years' training as nurses, who are allowed to practise their profession in this country, who are given diplomas as fully trained nurses, but who are denied the rights which are to-day possessed and enjoyed by even compounders so far as registration in India is concerned. These nurses are able to earn a livelihood in this country, but if they go to any other country, say England, they are denied recognition as trained nurses and in some cases the practice of their profession, because the Government of India has up to date refused to recognise this body of women by registering them under an Act. It is not so hard for them here, but when they elect to go to any other country they are denied the recognition of their profession and are looked upon as quacks. They are not so much affected now as they will be from July of this year because a recent communication has been received from the Secretary of the General Nursing Council of England and Wales to the effect that those nurses who wish to register under the Nurses Registration Act of England must do so before July this year. Otherwise they will have to subject them-

12 Noon. selves to certain examinations. Now, Sir, I consider this is not fair to the nurses in this country. The only province in India that has so far effected registration is Burma, a province, which my Honourable friend, Mr. Ginnwala, complains, is being neglected, but which has led the way to other provinces in this respect and is worthy of emulation. I submit, Sir, that the Government of India must not and cannot shirk their responsibility in this important matter. I am not satisfied, nor are the nurses in India satisfied, with the Provincial Governments shirking and transferring their duties to the Central Government and the Central Government when approached doing likewise to the Provincial Governments. Surely I am not asking too much of the Central Government to give effect to this legislation, viz., "An All-India Nurses Registration Act". The Nurses Association in England refuses to recognise any Provincial Act in India and is prepared to recognise an all-India Act only. Will the Honourable Member in charge of Education inform me if he will be able to introduce an All-India Nursing Registration Act before next July. If he cannot do so by then, will he at least give me an assurance that he will be kind enough to ask the Director General, Indian Medical Service, to write to the Secretary Nursing Association of England and Wales, and assure him

that he will move in the matter and ask that the time limit for Indian trained nurses desirous of registering as such in England be extended to July 1924. I should be grateful if the Honourable Member would do this.

Now, Sir, the next subject I wish to talk on is also a matter which I fear encroaches on the domains of the provinces. It refers to a body of medical men in whom I am naturally very much interested, I mean the Military Assistant Surgeons. I do not mean the Military Assistant Surgeons who are employed in the Army. Their grievances will be discussed by me in a subsequent motion. I refer to those who are employed in the Civil Medical Service in the various provinces.

The Honourable Mr. A. C. Chatterjee: May I ask, Sir, if the officers under the Civil Medical Departments in the various provinces come under this head? They are not employed under the Government of India.

Mr. President: Does the Honourable Member mean in this case they are under the direction and control of the Local Governments?

The Honourable Mr. A. C. Chatterjee: Yes, Sir.

Mr. President: In that case, I think, the Honourable Member is out of order.

Lieutenant-Colonel H. A. J. Gidney: I wish to accept your ruling on that matter, Sir. But I beg to differ from the Honourable Member in charge of this portfolio in so far that I am not specifically or exclusively referring to those Military Assistant Surgeons who are civilly employed in the various provinces, and that I am also referring to those Military Assistant Surgeons in civil employ—(I submit, Sir, with all due respect to the Honourable the Education Member),—for whom the Director General, Indian Medical Service, is directly responsible.

Dr. Nand Lal: When you accept the ruling of the Chair, you must accept the assertion of the Honourable the Education Member.

Lieutenant-Colonel H. A. J. Gidney: With all respect to the Chair and to the Honourable Member in charge, I submit, the Director General, Indian Medical Service, is directly responsible for the Indian Medical Department, in fact it is impossible to dissociate him from the working of that department in whatever way the Military Assistant Surgeons are employed, and with your permission, Sir, I wish to push that point if I am in order.

The Honourable Mr. A. C. Chatterjee: So far as those officers who are employed directly under the Government of India, I have no objection to the Honourable Member airing their grievances, but I do not think he will be in order to ventilate the grievances of those Military Assistant Surgeons who are employed under Provincial Governments.

Lieutenant-Colonel H. A. J. Gidney: I beg to disagree even here with the Honourable Member. I submit, Sir, that since the Military Assistant Surgeons belong to a Department for which the Director General, Indian Medical Service, is directly responsible and since this comes under general discussion to-day I believe I am in order when I referred to those Military

[Lieut.-Colonel H. A. J. Gidney.]

Assistant Surgeons who are in civil employ. But, Sir, all that I desire is to obtain from the Honourable Member in charge of this Department an assurance that he will give this matter his sympathetic consideration. We have here the Director of Indian Medical Service as the head of a department which is known as the Indian Medical Department. Those Members who are employed outside the army,—they may be employed by the Central Research Institute or they may be employed in other civil capacities—are under the control of the Director General, Indian Medical Service, and it is in regard to these people that I am speaking. These officers are enlisted in the service from the middle class of the domiciled community. They undergo training for 4 or now for 5 years in well recognised medical institutions and are trained by the same class of professors—Indian Medical Service Officers—who train the Civil Assistant Surgeons. They receive a diploma of equal licensing value to any medical degree in India. If they are not graduates,—I am not going to draw comparisons to their disfavour, because I opine it is not the degree that makes the man but it is the man who makes the degree,—these men are now as good as any of the graduates of the Indian Medical Colleges. Some of these Assistant Surgeons, generally the more brilliant and experienced men, are appointed as Civil Surgeons in various provinces and so have come under Provincial control, Medicine being a transferred subject. Now, Sir, these Assistant Surgeons perform the same duties as do their Civil Assistant Surgeon colleagues who are similarly employed but strange to relate are in some provinces denied the same pay. How often have I not heard Honourable Members in this House declare that if an Indian does the same work as an Englishman he should be given the same pay. I ask this House to apply the same principle to these Military Assistant Surgeons of the domiciled community who are doing the same kind of work as their civil Indian colleagues but who are being given a lower rate of pay. If the Honourable Member in charge of this Department will give me an assurance that he will be kind enough to look into the matter and remedy what is really a crying need, I am sure he will earn the gratitude of the entire department, a department that has done much for India in the past and that is still doing much good for the country.

Sir, the last matter that I wish to talk on is the Senior Women's Medical Service. I believe that, though it is not quite a Government department, it is largely subsidized by Government, and I therefore think it comes within the purview of this general discussion.

Mr. R. A. Spence: May I know what this Senior Women's Medical Service is?

Lieutenant-Colonel H. A. J. Gidney: It is the opposite of the Junior Women's Service. It is really a quasi-official department which is controlled by a lady Chief Medical Officer. This service gets a large grant from Government and also depends for its maintenance on subscriptions from various Indian sources. Sir, my criticisms on this department will not be destructive in character, because the work that is done by this noble body of lady doctors is one that commands my unstinted admiration and praise as also the gratitude of India. But I have a few criticisms to make as to its constitution. Here is a service, Sir, that is entirely financed by Indian subscriptions including one annually from the Government of India. Here is a service, Sir, that is entirely devoted to giving female medical relief in India. Here is a service which I consider *par excellence*

as one which should be recruited entirely in India and not as it is to-day a service for such large employment of English lady doctors recruited in England. I do not wish to decry the splendid services of these English lady doctors; but I do think that the time has arrived when a serious move should be made to recruit this service entirely in India. It is all moonshine to tell me that we have not got the right type of Indian and Anglo-Indian lady doctors in India. The Colleges in India to-day are getting full of Indian and Anglo-Indian domiciled women who have taken to the study of medicine. And I consider that the time has come for the Director of this service to pay greater attention to recruitment for this service in India and to cease recruiting so largely from England. India is quite capable to-day of supplying its own medical needs, both army and civil, both male and female, and I consider that further recruitment in this service should be confined entirely to India and India only.

The Honourable Mr. A. C. Chatterjee: Sir, the Honourable Member has raised several questions. He has discussed whether there should be one Director for all the Medical Services in India or whether there should be a Director General of the Indian Medical Service and a Director of Medical Services. I think my Honourable friend, Mr. Burdon, would be able to enlighten him on this point, and I will leave it to Mr. Burdon to answer Colonel Gidney in regard to this particular matter. Then, the Honourable gentleman passed on to the question of the abolition of the Public Health Commissioner. That matter is also under the consideration of the Government of India and it is not possible for me to say yet what would be the final decision. The third point which Colonel Gidney has referred to is the question of the registration of nurses. I think I indicated to the Honourable gentleman, in answer to a question some time ago, that this was a provincial transferred question, and really the Government of India could not interfere unless he could bring it within the Devolution Rules as a central subject. If the Honourable gentleman, to whom I shall give every opportunity of doing so, can convince me that this is a central subject, I shall be quite willing to go further into the matter. Then, Sir, he passed on to the question of the pay of Military Assistant Surgeons. So far as I could understand, he was comparing the pay which Military Assistant Surgeons received in the provinces with the pay of Civil Assistant Surgeons in the provinces. That, again, Sir, is a purely provincial subject, and I really do not feel that I am competent to answer on behalf of the provincial Governments. Then, Sir, he has spoken about the Women's Medical Service. This is a service which is controlled by a private Institution, to which it is true Government give certain aids. I shall bring to the notice of that Institution the remarks of my Honourable friend.

Lieutenant-Colonel H. A. J. Gidney: Sir, I thank the Honourable Member for what he has just said, and beg to ask that Government will kindly interest themselves and inquire into the matter particularly so far as Assistant Surgeons in the United Provinces are concerned.

Mr. E. Burdon (Army Secretary): Sir, I think my Honourable and gallant friend, Colonel Gidney, raised the question whether it would not be feasible to amalgamate the appointments of Director of Medical Services and Director General of the Indian Medical Service. Well, I should like to explain that this point was, so far as I know, specifically before Lord Inchcape's Retrenchment Committee. It was raised by certain of the questions in the Questionnaire. And it is clear that the Retrenchment Committee found it impossible to pursue the idea of securing an economy by

[Mr. E. Burdon.]

the means which my Honourable friend has indicated. Speaking on behalf of the Army Department, I can say that, from our point of view, it would be quite impracticable to allow the Director, Medical Services, to sacrifice the amount of time which would be required if he were to discharge satisfactorily the duties of Director General of the Indian Medical Service in addition to those which he is already required to carry out. The Director of Medical Services is already very fully employed not only in supervising the Medical Services of the Army but in constructive work and research work which aim at the maintenance of the highest possible standard of health amongst the troops, both British and Indian. There is one other point I should like to suggest to the House, namely, that it would be entirely inappropriate for the Director of Medical Services, primarily a military officer serving under the orders of the Commander-in-Chief, to be concerned with the administration of the Civil Medical Services and with general questions of public health. I think the House will recognise that it would be quite unsuitable for the Director of Medical Services, an officer, as I say, directly under the orders of His Excellency the Commander-in-Chief, to correspond with Provincial Governments on general questions of that kind.

Finally, the Director of Medical Services has hitherto nearly always been drawn from the Royal Army Medical Corps. I do not say that this arrangement will necessarily hold good for ever. It is possible that we may depart from it and recommendations to that effect, based upon certain proposals made by the Esher Committee, are actually under consideration. At the same time, it is certain that the Director of Medical Services will still from time to time be an officer of the Royal Army Medical Corps—an officer who need not necessarily have any knowledge of the problems of India except those which affect troops employed in India, and troops are employed under rather specialised conditions in India. That, I think, is a final and very convincing reason why it would be difficult, if not entirely impracticable, to amalgamate the two appointments which have been mentioned.

Dr. Nand Lal. Sir, I move:

"That the votable portion of the demand under sub-head 'Finance Department, Pay of officers,' be reduced by Rs. 100."

Sir, I want to invite the attention of the House specially to one point and that point alone has prompted me to offer this amendment. You will be pleased to see on page 130 of the Report of the Indian Retrenchment Committee that the expenditure on the Finance Department in 1913-14 was Rs. 4,10,200; in 1921-22, in the shape of revised estimates, it rose to Rs. 6,74,500; and again it rose in 1922-23, in the form of budget estimates to Rs. 6,91,200. Now, the recommendation which has been made and which is embodied in this Report, is that "this Department has already effected a reduction of Rs. 3,500 to meet the cut made by the Legislative Assembly and of Rs. 57,600 by the abolition of a post of Joint Secretary and by the amalgamation of two branches and by other economies, or in all Rs. 92,600,—allowing for further reductions in the number of peons which it may be possible to make." Here I pause for a moment and invite the Honourable the Finance Member kindly to give serious consideration to the suggestion which I am going to offer before

this House, that these peons may not be dismissed and that instead of these peons the post of some other officer, whose salary may be sufficient to cover the salaries of a number of these poor clerks and peons, should be abolished. I, with due deference, disagree with this particular recommendation of the learned Committee if it really suggests the dismissal of peons. Had I the time, I would have tried to point out that many thousands of rupees more could be retrenched and I cannot see any reason why these poor peons are going to be victimised. With this brief suggestion, I submit that the Honourable the Finance Member will kindly see his way to save these poor men, namely, the peons.

The Honourable Sir Basil Blackett: Sir, the difficulties of an economist are great. Dr. Nand Lal has objected to the effecting of economy by the dismissal of peons. He suggests that it might be effected in other ways. But I would ask, "What is the purpose for which the House votes Government money to spend upon the Finance Department?" It is that the Finance Department may do a certain amount of work. For that purpose it requires a certain staff and that staff requires a certain number of, among other persons, peons. If the staff which is employed in doing a certain amount of work can do with less peons, is that a matter to which we should object? I do not think it is really necessary very seriously to deal with this proposal. Peons are not dismissed for the amusement of turning them out of work and peons are not employed simply for the purpose of their getting salaries. They are employed if they are needed and they are not employed if they are not needed. Surely the only criterion that we should use there is, what is the minimum number with which we can get through a certain amount of work.

Mr. K. Ahmed: I do not think, Sir, this question has been sufficiently understood. The amendment is:

"That the votable portion of the demand under sub-head 'Finance Department, Pay of Officers,' be reduced by Rs. 100."

I find* they are, Sir, on page 44 all in *italics*. We cannot touch them because they are untouchable. It is not the sense of this House to take away their peons but to seal them with the robe of red-tapeism. The question is not whether Rs. 100 is not actually Rs. 99 plus Re. 1 but it is the expression of this House that they disapprove of the intelligence that has been applied hitherto as far as the Finance Department is concerned and therefore Rs. 100 is to be taken away from the officers' pay—not of untouchables but of touchables. They have got some officers in their office that can be touched. If Rs. 100 is taken away from their salary just to show our disapproval of the action of the intelligent members of untouchables, they will be more intelligent and will try their utmost to realise the situation as they thought they would be more independent without peons. I suppose then our purpose will be served, and that is why, Sir, we want that Rs. 100 should be reduced.

Mr. President: The question is that that reduction* be made.

The motion was negatived.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): I think the Honourable Sir Sivaswamy Aiyar is going to move a general reduction. I shall speak on that reduction.

* "That the votable portion of the demand under sub-head Finance Department, Pay of Officers (page 44) be reduced by Rs. 100."

Mr. N. M. Joshi (Nominated: Labour Interests): May I move my small amendment of reduction of Re. 1 in the Industries Department, of which I said yesterday that I had put in the word "Home" for "Industries" by mistake? It is No. 267. In moving my motion,* Sir, I want to draw the attention of the House to one of the recommendations of the Inchcape Committee. It is given on page 132. The Inchcape Committee say as follows regarding the Labour Bureau:

"We consider that the work done by the Industrial Intelligence Section and the Labour Bureau could be discontinued without serious inconvenience. It is represented that a certain amount of labour and other legislation is pending in the immediate future, but this could, in our opinion, be more appropriately arranged for by placing an officer temporarily on special duty than by making permanent additions to the establishment."

Thus, Sir, the Retrenchment Committee suggest to the Government of India to abolish the Labour Bureau of the Government of India. Sir, the Retrenchment Committee consisted of eminent men but that Committee had one defect, namely, it consisted mostly of business people and as business people

Mr. R. A. Spence: Is that a defect?

Mr. N. M. Joshi: . . . there was not much love lost between themselves and labour as well as between themselves and the Department of Government which concerns itself with labour. Therefore, the suggestion that they have made is natural. But at the same time the House must remember that it does not consist mostly of business people and it ought not to consist mostly of business people. The House represents the country and as such the House has also a duty to represent labour interests. Sir, at present the Government of India is not spending a large sum of money on its Labour Bureau. There are only two large appointments that I see here, a Controller of Labour whose salary is Rs. 1,500 and an Adviser to the Labour Bureau on a much smaller salary. Sir, the gentleman who occupies the post of Controller of Labour Bureau is known to this House. The House knows very well my friend Mr. Clow. They have seen his ability and I can assure the House that his sympathies for the interests of labour are also as well known. Sir, it is mistake that the Government of India should think of abolishing this office if they are thinking of doing so. But I would like the House to express its opinion against its abolition if Government thinks of abolishing that office. Questions regarding labour will arise every now and then. You are not going to get rid of the labour problem, especially so as the House wants the country to develop industrially very fast. If the country develops very fast industrially the industrial development will bring in its train certain evils which you cannot avoid and which the world has not avoided. Therefore, it will be a great mistake if the Government of India ever think of abolishing its Labour Bureau. It is absolutely necessary that the conditions of life and work of labour should be studied by the Government of India.

Rao Bahadur T. Rangachariar: (Madras City: Non-Muhammadan Urban): And the people.

* "That the provision for Pay of establishment under sub-head Industries Department be reduced by Re. 1."

Mr. N. M. Joshi: Sir, there is another appointment in that Bureau—the Adviser to Labour Bureau. Unfortunately I do not see any amount placed against that head in this year's Budget. I do not know whether the Government of India even before the Retrenchment Committee was appointed, have decided to abolish that post, and if the Government of India have done it, it is a great pity and I want the House to tell the Government of India that they have made a great mistake in abolishing that post. Sir, that post was held by a lady, Miss Broughton, whose sympathies towards labour were also very great. She had done very valuable work in studying the conditions of life and work of the women workers in India, and, Sir, I was hoping that the Government of India would very soon undertake legislation prohibiting the employment of women and providing benefits for women working in factories. As a matter of fact I have given notice of a Resolution to that effect, but unfortunately if the Government of India decide to abolish that post, there is hardly much hope for me. I therefore feel that even if the Government had decided to abolish that post they will reconsider that decision and restore that post. It is absolutely necessary that the country should not neglect the labour problem. If they neglect it to-day I think the country will have to be sorry afterwards. I therefore move my amendment that the amount for the Industries Department be reduced by Re. 1.

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadan Urban): While I have my differences with Mr Joshi on many points I am glad to say that on this occasion I endorse every word that he has said with regard to the Labour Bureau. It is already in the air, perhaps encouraged by the reports appearing in irresponsible newspapers, that this House as it does not consist properly of representatives of labour does not do justice to the requirements of the labour population. I do not for a moment admit that we are guilty in that direction. I hold that this House in spite of the fact that we have no direct labour representation in the Assembly itself has gone a great way to legislate for the benefit of the labour in this country. But I do hold that the step that we are about to take if we were to recommend to Government that the recommendation of the Retrenchment Committee in this direction should be accepted—that step will land us in considerable difficulties with labour. We shall be rightly misunderstood by the labour population of this country. We shall be rightly told that we neglect the demand that labour has on us for considering its requirements in this country. I hold that there is no reason whatsoever to do away with this Department which has shown that it is capable of doing excellent work. All of us who had the occasion to hear Mr. Clow and to know something of his work connected with the Labour Bureau will bear testimony to the usefulness of his contribution to the work of the Industries Department. We are keen and rightly keen on seeing this country placed on the path of rapid industrial development, but we should be making a mistake if we blinded ourselves to the evils that will inevitably accompany the rapid industrial development of this country. Therefore, a Bureau like the Labour Bureau is extremely necessary for enabling us to minimise those evils, to avoid the mistakes which have been made in other parts of the world and to avoid the dangers which have accompanied industrial development in other countries. I hope therefore that the Government will not in this respect countenance the recommendation made by the Inchcape Committee but will continue to allow the Labour Bureau to carry on its useful activities.

Rao Bahadur T. Rangachariar: May I make a suggestion? I fail to see why this Labour Bureau should not be amalgamated with the Central Bureau of Information. (Laughter). I see some Honourable Member laughing at it, but I do think that there is a lot in co-ordination. Instead of each Department having its own Bureau I think that if we have a Central Bureau of Information in which all Departments can come together it will conduce to economy and it will conduce to speedy disposal of work. I do think that instead of abolishing the Labour Bureau steps should be taken to amalgamate it with the Central Bureau of Information.

The Honourable Mr. O. A. Innes (Commerce and Industries Member): I do not think that Mr. Rangachariar has quite appreciated the work which the Labour Bureau does. The Labour Bureau exists for the purpose of collecting, collating and studying information regarding labour questions throughout India. We collect information regarding such matters as strikes, the reasons for strikes, how they were dealt with, the working of the Factory Act and so on. This information is continuously being collected and is continuously being studied and I think that every one in this House will recognise that in these latter days it is very necessary that the process should be carried on. I am, however, in a difficulty in dealing with Mr. Joshi's motion, for as the House knows, the whole of the future of the Departments of the Government of India and of the staff to be attached to the Departments as reorganised is now under consideration. All I can say at the present moment is that we realise the importance of the issues raised by my Honourable friend Mr. Joshi and that we will take those issues into very serious consideration when we finally rearrange these Departments.

Mr. N. M. Joshi: I withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Statutory authority for maintenance of Standing Army.

Mr. P. P. Ginwala (Burma: Non-European): I move: •

“That the demand under sub-head ‘Army Department’ be reduced by Rs. 100.”

I may remind the House that last year a similar reduction was moved and carried by the House by a very large majority in which you will find that practically every non-official, European or Indian, Member of this House with the exception of three Indian non-official Members voted in favour of the motion for reduction. That motion was carried mainly on two grounds, first of all, on the ground of excessive military expenditure. I believe my Honourable friend Sir Montagu Webb made a very powerful speech condemning the extravagance of the military expenditure on that occasion. The other ground was that this House was unwilling to vote any money to the Government unless the military expenditure was made votable. Since then the position has developed a bit against the Government if I may so put it, though these two complaints still remain to a very large extent. Last September I put a question to the Army Department as to what statutory authority existed for the maintenance of an army in India in times of peace. A reply was given to me on the 15th January this year to that question in which it was stated that there were certain statutes upon which they relied. I am satisfied that by a *bona fide* mistake they had forgotten to mention that all those statutes had been repealed. I repeated the question on a subsequent date and I got a definite reply from the Government that there was no

statutory authority for the maintenance of an army in India. Questioned further as to what other authority they had, they said they depended upon the inherent powers of the Crown for the maintenance of an army. I venture to submit to this House that this is not an academic question as some Honourable Members may seem to think. It is a very serious question to my mind. This inherent power of the Crown so far as the constitutional law of England is concerned is for practical purposes a myth. If anybody tried to suggest in Great Britain that under the inherent power of the Crown it was possible for the Crown to maintain an army, he would run the risk of being beheaded. The Crown had that power at one time but that power has been taken away long since and for two hundred years or more at any rate in England this inherent power of the Crown has never been exercised for the maintenance of an Army. But the argument may be advanced by the Government, as no doubt it will be advanced, that in England by statutory enactments that power has been curtailed but that the Crown may still exercise the power outside Great Britain. I deny that there is any such authority for that proposition. I see the Honourable the Law Member has got some books on constitutional law from which he will no doubt read later on but I do not think I shall trouble the House with reading any authority on that subject. I shall be satisfied if the Honourable the Law Member is able to convince the House that in any Colony the Crown has attempted to maintain a Standing Army at the expense of the colony,—which is the point—under the inherent powers of the Crown. There would have been a revolt in the Colonies if the Crown had attempted to do that. The Crown may have maintained in the past an Army under the legal authority of an Act of Parliament in the colonies for garrisoning the Colonies but it was Parliament who voted the money. They never attempted at any time to maintain a Standing Army in any of the Colonies for which the Colonies themselves paid. If the Honourable the Law Member attempts to meet this objection he must bear these two things in mind, that the Crown maintained an Army under this inherent power in the Colonies and that the Colonies were made to pay for the Army. Now even looking at the past history of legislation in this country, you would find that the Crown never attempted to do that even in India. The Army was maintained under an Act of Parliament by the Crown in India so far at any rate as the East India Company was concerned and so far as that army was transferred by the East India Company to the Crown and an express provision had to be made in the Government of India Act, 1858, creating a charge upon the revenues of India in respect of the Army that was then transferred. But even if that did apply, apart from the fact that that has been repealed only to the extent to which the army could be maintained by the East India Company, it will not apply to any extension of the Army or increase in the strength of the Army. Anyhow that provision has been repealed. The Government of India Act, 1858, especially the provisions of that Act relating to this have been expressly repealed and in fact the Government have admitted that there is no statutory authority. So I do not think it is necessary for me to labour that point.

Now, I maintain, Sir, that the Government of India does not do itself any credit by maintaining an army in this fashion. It helps itself to the revenues of India by making military expenditure non-votable but it goes further. It establishes an army wholly without any legal authority. It is an illegal position, and it will be much truer to call this despotism, which

[Mr. P. P. Ginwala.]

is sometimes described as a benevolent despotism, a military despotism from the constitutional point of view. I do not mean it in any other sense. When they have got no authority to maintain the Army, they do maintain an Army and they turn to the revenues of India for the purpose of paying an Army illegally maintained by them. Now, take the logical consequence of this maintenance of the Army in India with regard to the constitution of England itself. It simply means this that the Crown can maintain a very large Army in India, if it chose, which it can employ anywhere else, even against the British people themselves. It is repugnant to British notions altogether that the Crown should have either direct or indirect power to maintain a Standing Army without the express authority of Parliament. I am not raising any technical objections whatsoever, I may assure the House. But what I suggest to the Government of India is this, that instead of taking their stand on such shadowy right as the inherent power of the Crown, it would be doing the right thing not only from its point of view, but of every element in and outside this House if it took steps to regularise this position. It can do it in two different ways. Last year we claimed that it was in the discretion of the Governor General to treat military expenditure as votable, if he liked. The Government were advised by their Law Officers to the contrary and we see what good use they have made of that advice. Many items which were formerly votable have now become non-votable . . .

The Honourable Sir Malcolm Hailey: And *vice versa*.

Mr. P. P. Ginwala: True, Sir, but the process has begun and I do not know where it will stop. I do not say that what they are doing is illegal. But I would point out to the House that there is a very serious risk of the scope of non-votable items being extended, if we do not safeguard ourselves. Secondly, they have got the usual method which they have in their own country to have a statute passed by this Assembly every year authorising them to maintain the Army at a particular strength; that would legalise the whole situation. I am willing to believe they will not easily adopt that course, because they unnecessarily suppose that we shall not be willing to allow them to maintain the Army at the strength at which they wish to maintain it. The sooner they disabuse themselves of this, the better it would be for their relations with this House. What we want them to do is to lay their cards on the table properly, and I have no hesitation in saying that this House would do everything that they reasonably require for the maintenance of an Army for the defence of India. I do not wish to take too much of the time of the House by dwelling too long on the constitutional aspect of the question. I will put it to the Government merely from the practical point of view. They will not be able to convince anybody, even if the Law Member cited hundred authorities, that such a thing as the inherent power of the Crown exists. The man in the street will not be able to follow that at all, and it is his money that you are spending. You have got to satisfy him that what you are doing is legal, that it is right and that it is based on some authority. You may cite, as I say, hundreds of books, but that will not carry the slightest conviction. What would convince the people of this country of your *bona fides* in this respect is to come boldly to this House every year asking for an Army Act or to make the Military expenditure votable. Sir, I move my amendment.

Mr. President: Amendment moved:

"That the demand under sub-head 'Army Department' be reduced by Rs. 100."

If I allow the Honourable Member to move and the debate subsequently to proceed on the lines of the constitutional argument which he has presented, I think I should add that I do not want thereby a precedent to be created. On the whole I think it would have been better to raise a large issue like this on the motion that the Finance Bill be considered rather than on the Army vote, but as it is technically in order, I have accepted it, though with that warning.

Sir Montagu Webb (Bombay: European): Sir, I spoke last year in support of Mr. Ginwala's motion to reduce the Army expenditure, which I considered was a danger, and a grave danger to the finances of this country

Mr. President: Is the Honourable Member going to discuss the issue raised?

Sir Montagu Webb: No, Sir.

Mr. President: Then for the purposes of orderly debate, I think we will exhaust that first.

Lieut.-Colonel H. A. J. Gidney: Sir, I do not intend to emulate my Honourable friend, Mr. Ginwala, in questioning the constitution or the right of the Government to maintain an Army in India. I desire to confine my remarks to the military medical department of the Army.

Mr. President: Perhaps the Honourable Member did not hear what I said to Sir Montagu Webb. I think we had better exhaust the subject raised by Mr. Ginwala's speech, and if other Honourable Members do not wish to speak on that now I shall call upon the Law Member.

Dr. H. S. Gour: Sir I wish to contribute a few words to the constitutional question raised by the Honourable Mover of this amendment. Honourable Members will know that under constitutional law the Sovereign was at one time ideally the centre of all power, but as the constitution developed, sovereignty became divisible and sovereign rights were gradually transferred to the people. That is the genesis of the British Parliament. The sovereign rights have been practically all transferred to the British Parliament. Therefore though the King of England, remains the fountain head of honour and perhaps of mercy, all the constitutional power of the King of England is transferred to and vested in the British Parliament. That is also the position as regards the Colonies. The sovereign power has been transferred by the various Acts constituting the constitutional Acts of the various Dominions. In India up to the passing of the Reforms Act we had the semblance of a constitution, but even that constitution had laid down a very salutary principle, now embodied in section 21 of the Government of India Act. It laid down that:

"Subject to the provisions of this Act and rules made thereunder the expenditure of the revenues of India both in British India and elsewhere shall be subject to the control of the Secretary of State in Council, and no grant or appropriation of any part of those revenues or of any other property coming into the possession of the Secretary of State in Council by virtue of the Government of India Act shall be made without the concurrence of a majority of votes at a meeting of the Council of India."

[Dr. H. S. Gour.]

All the revenues of India are therefore directly under the control of the Secretary of State and no grant or appropriation of those revenues can be made except in the manner and to the extent provided by this Statute. The question therefore arises, are the revenues of India for the maintenance of the Army in this country diverted in accordance with the provisions of section 21 of the Government of India Act? That, I submit, is the short question. When Mr. Ginwala interpellated the Government, the position of the Government was that the Army in India is maintained under the inherent power of the Crown, and that there is nothing in the Government of India Act to prevent the revenues of India being utilised for the purpose of maintaining such an Army. The latter argument is met by reference to section 21 of the Government of India Act to which I have adverted. There remains the question about the inherent power of the Crown. I have already submitted to Honourable Members that the moment the sovereignty becomes merged into a Parliamentary Statute and a constitution is granted to a colony or to a country, *pro tanto* the inherent powers of the Crown are affected and modified and, so far as the Statute now known as the Government of India Act lays down a certain mode and manner in which the revenues of India shall be applied, the powers of the Crown are limited; otherwise, there would be a repugnancy between the constitution granted by Parliament and the inherent rights of sovereignty, and I therefore submit that it is not right to claim that the Army in India is maintained under the inherent power of the Crown. The position, therefore, is reduced to this. We have to pay the major portion of our revenues for the maintenance of the Army in India. There is no statutory authority for the payment of the Army in this country; the inherent power of the Crown cannot be invoked in support of its maintenance; the position, therefore, is that constitutionally this expenditure is being incurred upon a purpose not justifiable by law. What is then the remedy? The obvious remedy suggested by Mr. Ginwala is that there should be an Annual Army Act enacted in this country as it is enacted in England, which provides for the maintenance and pay of the Army in the United Kingdom. That Annual Army Act is subject to the annual vote of the House of Commons, and, if a similar Army Act is enacted in this country, it must be brought to this House and be subject to its vote.

The other position raised by my friend, Mr. Ginwala, is, with all deference to him, untenable. He said that the other alternative open to the Government was to make Army expenditure votable and thereby circumvent the legal difficulty which he has enunciated; but I do not see, Sir, how by transferring the Army vote from the non-voted to the voted portion of the Budget, the legal objection would be surmounted. I therefore submit that the Government should, in order to legalise the Army in India, take legislative measures and bring an enactment annually for the acceptance of this House. That seems to be the constitutional position.

I understand, Sir, that the question as regards the excessive military burden from which this country suffers is not to be discussed at this juncture, and, therefore, what I have to say on that question I shall say later on.

Sir P. S. Sivaswamy Aiyer: Is there anything forbidding military expenditure?

Dr. H. S. Gour: The Honourable Sir Sivaswamy Aiyer has asked me a question and I

Mr. President: Order, order. The Honourable Mian Sir Muhammad Shafi.

The Honourable Dr. Mian Sir Muhammad Shafi (Law Member): Sir, on the motion now before the House my Honourable and learned friend Mr. Ginwala has raised the question of authority for the maintenance of a Standing Army in India. I have no doubt that my Honourable friend has thought it necessary to raise this question again at this stage by reason of the answer which was given to him at a previous meeting of this Assembly, according to which answer there was no statutory authority in the Government of India Act for the maintenance of such an Army, and the inherent power of the Crown was invoked in support of such maintenance. I am prepared to admit that the answer then given to my Honourable friend was not quite correct.

Rao Bahadur T. Rangachariar (and others). Who gave that answer?

The Honourable Dr. Mian Sir Muhammad Shafi: There is statutory power in the Government of India Act itself for the maintenance of a Standing Army in India, and I now proceed to make that position clear. If Honourable Members will turn to section 1 of the Government of India Act, they will find that this is what the section enacts:

"The territories for the time being vested in His Majesty in India are governed by and in the name of His Majesty the King Emperor of India and all rights which, if the Government of India Act, 1858, had not been passed, might have been exercised by the East India Company in relation to any territory, may be exercised by and in the name of His Majesty as rights incidental to the Government of India."

Now, Honourable Members will notice that according to the express enactment embodied in this section, all rights possessed by the East India Company prior to the enactment of the 1858 Act, referred to in this section, may now be exercised by the Crown or the Government of India. My Honourable friend, Mr. Ginwala, has himself admitted to-day that the East India Company had authority to maintain an Army in India, and he pointed out that the authority empowering the East India Company to maintain an Army was derived from an Act of Parliament. I see my Honourable and learned friend Mr. Rangachariar shake his head. Let me invite his attention to what is known as the Indian Mutiny Act, George II Chapter IX "An Act to punish mutiny and desertion of officers and soldiers in the service of the United Company of Merchants of England trading to the East Indies." The language of that enactment is somewhat of the old type; but my Honourable friend will find that Parliament in this enactment recognised the right of the East India Company to maintain an Army in this country . . .

Rao Bahadur T. Rangachariar: Conferred it.

The Honourable Dr. Mian Sir Muhammad Shafi: —*Recognised*, I said—and went on to make provisions for courts-martial and other matters—expressly recognised, there was no question of conferment—recognised the right of the East India Company to maintain an Army in India. As a matter of fact prior to the enactment of this statute, the East India Company actually did maintain an army in India; this Act recognised the right of the East India Company to do so and went on to make provisions for the administration of military affairs and of the army in this country. That right of the East India Company was again recognised in the Act of 1893; and in 1858 when the administration of the affairs of this country was taken over by the Crown from the East India Company, you will find that in the Act of 1858 provisions were expressly embodied for the

[Dr. Mian Sir Muhammad Shafi.]

transfer to the Crown not only of the civil but also of the military administration. (Mr. N. M. Samarth: "Existing establishments.") It was unnecessary at that time to make the provision embodied in those sections because the administration of India was being transferred from the East India Company to the Crown . . .

Mr. P. P. Ginzwa: What happened to the inherent power of the Crown in 1858?

The Honourable Dr. Mian Sir Muhammad Shafi: Let me make the position clear. There was no question at that time of the inherent power of the Crown, and so far as this part of my argument is concerned, there is for my purpose no question of the inherent power of the Crown now. I am not dealing with the extent of the inherent power of the Crown in this part of my argument. What I am emphasising is this, that Parliament, having by a statute recognised the right of the East India Company to maintain an army in India and having subsequently in the Act of 1833 repeated the recognition of that right, when the administration of the affairs of this country, civil and military, were taken over, or in other words were transferred from the East India Company to the Crown, in 1858, it became necessary to make those specific provisions for the transfer to the Crown not only of the civil but also of the military administration of the country from the East India Company. But the military administration of the country, having once been transferred under that statute to the Crown and having become vested in the Crown from that date onwards, there was no necessity to repeat these sections now in the Act of 1919. All that was necessary to lay down and to embody was that the rights which the East India Company possessed before the enactment of the statute of 1858 should now be exercisable by the Crown. Section 1 of the Government of India Act clearly lays that down and all rights exercisable by the East India Company before the transfer of the administration from the hands of the East India Company to the Crown can now be exercised by the Crown. The words are "and all rights which if the Government of India Act, 1858, had not been passed, might have been exercised by the East India Company in relation to any territories may be exercised by and in the name of His Majesty as rights incidental to the Government of India." It is clear, therefore, that there is a statutory power—no question of the inherent right of the Crown—a statutory power conferred upon His Majesty to exercise all rights which were exercisable by the East India Company in respect of any territories, and those rights can be exercised now.

Now, I ask the Honourable Members to turn their attention for a moment to section 20 of the Act, sub-section (1). According to this sub-section, "the revenues of India shall be received for and in the name of His Majesty and shall, subject to the provisions of this Act, be applied for the purposes of the government"—not with a capital G but with a small g,—"of India." Now defence of India against foreign invasion or against an insurrection in the country is part and parcel of the duties connected with the Government of India and is one of the duties cast upon Government. It is clear, therefore, that under section 20, the revenues of India may be applied for maintaining an army for the defence of India and also for putting down any rebellion that may occur in the country itself, for armies cannot be improvised in a day. It is indeed obvious that one of the essential duties which the Government has to

perform is to be prepared to defend the country against foreign invasion, and that cannot be done unless Government maintains an army. And if you compare the language of this sub-section with the language embodied in section 22 of the Government of India Act, the point will become still more clear. This is how section 22 runs:

"Except for preventing or repelling actual invasion of His Majesty's Indian possessions or under other sudden and urgent necessity, the revenues of India shall not, without the consent of both Houses of Parliament, be applicable to defraying the expenses of any military operations carried on beyond the external frontiers of those possessions by His Majesty's forces, be charged upon those revenues."

A careful examination of section 22 makes it perfectly clear to any reasonable mind that this section embodies a prohibition that the revenues of India shall not be spent upon any military expedition beyond the frontiers of India unless that military expedition is rendered necessary for preventing or repelling actual invasion of His Majesty's Indian possessions. It follows, therefore, I submit necessarily, that the revenues of India may be spent upon any military expedition necessitated for preventing or repelling actual invasion of His Majesty's Indian possessions and that these revenues may be spent upon military forces maintained for that purpose. It is clear, therefore, that section 22 justifies the maintenance of a Standing Army in India in order to prevent or repel actual invasion of His Majesty's Indian possessions and that the revenues of India may legitimately be spent on the maintenance of such army.

Again, Sir, it is because that is the position laid down in this Statute that certain other provisions have been enacted in the Government of India Act. Let me invite the attention of the House to section 36, clause 4. According to section 36, clause (4) (this section refers to the constitution of the Executive Council):

"If any Member of the Council (other than the Commander-in-Chief for the time being of His Majesty's forces in India) is at the time of his appointment in the military service of the Crown, he shall not, during his continuance in office as such member, hold any military command or be employed in actual military duties."

Then, according to section 37:

"If the Commander-in-Chief for the time being of His Majesty's forces in India is a Member of the Governor General's Executive Council, he shall, subject to the provisions of this Act, have rank and precedence in the Council next after the Governor General."

It will be clear from these provisions that, because there is statutory authority, as I have contended, for the maintenance of an Army in India, it is therefore necessary to have a Commander-in-Chief of that Army in this country and the Commander-in-Chief occupies as a member of the Government of India a certain position in the Executive Council which is described in section 36. If, among the Members of the Executive Council there should be one who holds a military position in the Army in India, maintained under the statutory authority referred to, then he will not, while he is a Member of the Executive Council, hold any command in the Army itself. Again, when we turn to section 44, what do we find? This is what that section contains:

"The Governor General in Council may not, without the express order of the Secretary of State in Council, in any case (except where hostilities have been actually commenced, or preparations for the commencement of hostilities have been actually made against the British Government in India or against any prince or state dependent thereon, or against any prince or state whose territories His Majesty is bound by any subsisting treaty to defend or guarantee), either declare war or commence hostilities or enter into any treaty for making war against any prince or state in India, or enter into any treaty for guaranteeing the possessions of any such prince or state."

[Dr. Mian Sir Muhammad Shafi.]

Now, this section again clearly contemplates the maintenance of an Army, the expenditure on which, as I have already observed, is a charge on the revenues of India, because otherwise this particular section would be entirely meaningless. Declaration of War in certain circumstances by the Governor General in Council presupposes the existence of an Army which he will make use of immediately on a Declaration of War and the whole scheme of the various provisions embodied in the Government of India Act, cognate to the matter with which we are now dealing, clearly indicates the correctness of the contention which I have submitted to the House, based on section 1 of the Government of India Act, that is to say, the authority of the Crown to maintain an Army in India and the revenues of India being chargeable for the expenses of that Army is well established by statute, otherwise all these various provisions to which I have invited attention would be meaningless.

Then, if you turn to section 65 (1) (d), the Indian Legislature has power to make laws:

"for the Government officers, *soldiers (airmen) and followers in His Majesty's Indian forces*, wherever they are serving, in so far as they are not subject to the Army Act (or the Air Force Act)."

That provision again clearly shows the existence of an Army in India and the power of the Indian Legislature to enact laws for certain purposes which govern the soldiers employed in that Army. Again, according to section 67 (2) (c):

"It shall not be lawful, without the previous sanction of the Governor General, to introduce at any meeting of either Chamber of the Indian Legislature any measure affecting—

* * * * *

(c) the discipline or maintenance of any part of His Majesty's military, naval or air forces",

thus excluding the jurisdiction of this House and of the other House in connection with certain matters connected with the military forces in this country.

Then we come to section 95. This is what that section enacts:

"The Secretary of State in Council, with the concurrence of a majority of votes at a meeting of the Council of India, may make rules for distributing between the several authorities in India the power of making appointments to and promotions in military offices under the Crown in India, and may reinstate military officers and servants suspended or removed by any of those authorities."

Here again, the House will notice that this particular provision in the Act contemplates the maintenance of an army in India and the appointment as officers of that army by any authority to whom such power of appointment may be delegated by the Secretary of State in Council.

Again in section 96-A:

"Notwithstanding anything in any other enactment, the Governor General in Council, with the approval of the Secretary of State in Council, may, by notification, declare that, subject to any conditions or restrictions prescribed in the notification, any named ruler or subject of any state in India shall be eligible for appointment to any civil or military office under the Crown to which a native of British India may be appointed."

and so on. Provision is thus made for appointment not only of British subjects but even of Rulers of Indian States or of subjects of Indian States to military appointments in India.

The whole scheme of the Act, therefore, clearly shows that the right to maintain an army in India just as it existed in the days of the old East India Company, is recognised by section 1 of the Government of India Act and that right is vested in His Majesty the King Emperor. The revenues of India may be properly made use of according to section 20 in the maintenance of that army, various provisions are made showing that a Commander-in-Chief for the Indian forces and various other officers for the Indian army may be appointed in this manner and that the Indian Legislature is empowered to pass certain laws to which even soldiers of His Majesty's Army in India will be subject, express provision is made excluding certain matters from the jurisdiction of the Indian Legislature and other cognate provisions have been enacted in this Statute clearly providing for matters connected therewith. It is clear, therefore, from a perusal of the various provisions embodied in this Act relating to the administration of military affairs in this country that there is ample statutory authority for the maintenance of an army in this country, and also for expenditure out of the Indian revenues for the maintenance of that army.

In conclusion, there is one observation, Sir, which I have to make upon the general principle to which Mr. Ginwala and more particularly my Honourable friend Dr. Gour referred. Dr. Gour pointed out that in the first instance all authority is vested in the King Emperor. "The King Emperor is the centre of all authority" was the expression I think that Dr. Gour used. But he pointed out that in England by reason of certain enactments the authority with regard to the maintenance of an army had been transferred from the Crown to the Parliament. That is exactly the position. In England prior to the enactment of the particular statute which was in the mind of my Honourable friend—the Bill of Rights—the Crown had full power to maintain an army in the Kingdom of Great Britain. It was the Bill of Rights which took away that power from the Crown. The Bill of Rights applies only to the Kingdom of Great Britain, for at the time it was passed India was not part of that Kingdom at all. This is perfectly clear—my Honourable friend, Mr. Ginwala shakes his head—it is perfectly clear even from the latest Army and Air Force (Annual) Act. (*Mr. Ginwala*: "May I say the Annual Army Act provision is entirely different from the Bill of Rights.") If you will turn to the Preamble of the Army and Air Force (Annual) Act, 1922, you will find:

"And whereas it is adjudged necessary by His Majesty and this present Parliament that a body of land forces should be continued for the safety of the United Kingdom and the defence of the possessions of His Majesty's Crown and that the whole number of such forces should consist of two hundred and fifteen thousand, including those to be employed at the depôts in the United Kingdom for the training of recruits for service at home and abroad, *but exclusive of the numbers actually serving within His Majesty's Indian possessions*"

It is clear from the last words of this paragraph of the Preamble which I have just read that His Majesty's Forces in India are excluded from the application of the Statute. Well, what I was going to emphasize is this: In every country when constitutional development takes place from autocracy towards democracy all power is at the earlier stage vested in the Crown. Gradually as constitutional development takes place, by various enactments powers are transferred from the Crown to the democratic

[Dr. Mian Sir Muhammad Shafi.]

Government that may be introduced in the country. It is not until the stage of full responsible Government is reached, when the administration vests in the hands of a Parliament, that the Crown is deprived of the power possessed by it to maintain an army. When that stage is reached in India and an express provision is then enacted that no forces will be maintained unless with the sanction of the Indian Parliament, then and then alone the power of the Crown to maintain an army in India will disappear and that power will be transferred to the Indian Parliament of the future. Until that stage is reached the power vests in the Crown apart even from any statutory authority and I submit that the reply given at the previous stage—the latter half of the reply that was given at the previous stage—was really correct and that it was fully justified on principle. I submit to the House that there is ample statutory authority for the maintenance of an army in India and for the expenses of that army being charged on the revenues of India and also that even upon general principles the position taken up by my Honourable friend is unsound.

Sir P. S. Sivaswamy Aiyer: After the elaborate speech of the Honourable the Law Member, it is hardly necessary for me to intervene in this debate. If I enter the lists at all, it is rather the temptation offered by an abstract legal discussion to a quondam lawyer. Let me congratulate my friend Dr. Gour on the discovery he has made, I am afraid, I must say, of a hare's nest. The point that he has taken may, I think, be much more shortly disposed of than it has been by the Honourable the Law Member. The Honourable Dr. Gour has asked for the statutory authority under which the army in India is maintained.

(At this stage Mr. Deputy President took the Chair.)

May I ask him what authority there is in the Statute for maintaining a Police department, for maintaining an Education Department, for maintaining any of the numerous other Departments which are essential to the administration of any civilised Government?

Dr. H. S. Gour: The various Acts of the Indian Legislature.

Sir P. S. Sivaswamy Aiyer: Now, Sir, my Honourable friend, Dr. Gour, referred to section 20 of the Statute. Now section 20 lays down this:

"There shall be charged on the revenues of India alone (a) all the debts of the East India Company, (b) all sums of money, costs, charges and expenses which if the Government of India Act, 1858, had not been passed would have been payable by the East India Company"

Dr. H. S. Gour: I rise to a point of order. My Honourable friend has entirely misunderstood me. I did not refer to section 20 but to section 21.

Sir P. S. Sivaswamy Aiyer: I am coming to that. It is necessary for my purpose to refer to section 20;

"... and (c) all expenses, debts and liabilities lawfully contracted and incurred on account of the Government of India."

Does it mean under a specific provision of law or statute or does it mean all those expenses which it is lawful for the Government to incur in the absence of any prohibition of that expenditure? I take it that the plain and commonsense interpretation which should be placed upon this clause

is simply this. That whatever expense may be lawfully contracted, that is without infringing any law, on account of the Government of India may be paid out of the revenues of the Government of India. The Government of India carries on numerous functions and the expenditure which it has to incur on account of these various functions come under this head, expenses lawfully incurred on account of the Government of India. Now, come to section 21 upon which my learned friend places some reliance:

* "Subject to the provisions of this Act and the rules made thereunder, the expenditure of the revenues of India, both in British India and elsewhere, shall be subject to the control of the Secretary of State in Council and no grant or appropriation of any part of those revenues or of any other property coming into the possession of the Secretary of State in Council by virtue of the Government of India Act, 1858, or this Act shall be made without the concurrence of a majority of votes at a meeting of the Council of India."

That provides for the control of the Secretary of State, though it says, subject to the provisions of this Act or the rules made thereunder. Now, the object of section 21 is simply to secure the control of the Secretary of State and not to define the specific purposes for which the revenues of India may be employed or may not be employed. I will not take up the time of the House by referring to section 22 which by expressly forbidding operations beyond the frontier contemplates operations within the frontier and necessarily the maintenance of a military force within India. Nor is it necessary for me to refer to any of the other sections already referred to. But there is one section which I think has not been referred to by the Honourable the Law Member and to which I may make a reference, and it is this. Section 67-A (1):

"The estimated annual expenditure and revenue of the Governor General in Council shall be laid in the form of a statement before both Chambers of the Indian Legislature in each year."

and so on. Clause (3) states:

"The proposals of the Governor General in Council for the appropriation of revenue or moneys relating to the following heads of expenditure shall not be submitted to the vote of the Legislature Assembly"

and so on, and one of those heads is "expenditure classified by the order of the Governor General in Council as defence." What further authority do you want than this? But I prefer to rest the case in favour of the maintenance of an Army not merely upon section 67A, nor upon any of the other sections which are all perfectly relevant and which are of great weight, but upon the higher ground and the simpler ground that the maintenance of an Army and the defence of a country are part of the essential purposes of any civilised Government and any expenditure incurred for those purposes would be expenditure lawfully incurred on account of the Government of India. I think it unnecessary to take up the time of the House with any further observations.

Rao Banadur T. Rangachariar: Sir, I am afraid our sympathies ought to go to the Honourable Mr. Burdon in the very delicate position he has been placed by the Law Department of the Government of India. Here was a deliberate interpellation put by my Honourable friend, Mr. Ginwala. First of all, we were told that the army is maintained under a particular Statute. That was on the 15th of January 1923. Then, my Honourable friend Mr. Ginwala politely drew the attention of the Honourable Mr. Burdon and asked "Are you not referring to repealed Statutes?" The

[Rao Bahadur T. Rangachariar.]

Honourable Mr. Burdon, I take it, even if in the first instance he did not take the advice of the Law Department, I hope and I trust, and knowing Mr. Burdon as I do, I am sure, he did consult the Law Department before he gave the second answer; for, I am not sure he would have ventured to give an answer about "inherent power" without consulting this Department of the Government of India. What, then, did the Law Department advise Mr. Burdon? "Yes, they are repealed Statutes." Sir, I hope the Honourable the Law Member then looked up the Government of India Act, looked up all these sections which he referred to this morning, and he might have usefully referred to another section also which neither the paid department nor the unpaid department of the Law Department of the Government of India referred to this morning, which perhaps throws more light in their direction than they have laboured to point out; that is section 33 of the Government of India Act, which has been before me in dealing with this question. It refers to the Civil and Military Government of India, which perhaps is more apposite than all the laboured explanation which my Honourable friend sought to impute from the various other sections which he referred to. The powers of Civil and Military Government of India vest in the Governor General in Council subject to the orders of the Secretary of State. It is that section which has given me trouble in this matter, not the other sections referred to by my Honourable friends, both to the right and left of this House. Sir, the whole question is—and that is the question which has been missed by both my Honourable friends who spoke this morning—the question is, what is the right of the Government of India to maintain an army in times of peace, when there is no Military Government. No doubt Government maintains an army in times of peace, Sir, against the subjects of the Government. That also has to be remembered. I can understand the power of the Government to maintain an army to repel enemies from abroad to attack enemies within. Sir, for the purpose of internal peace, what right has any Government, unless that right is conferred by law, unless the Government is to be a Military Government, what right can the Government have to maintain an army unless it is empowered by law? I quite see from the regard which my Honourable friend Sir Sivaswamy Aiyer enjoyed in the Council Chamber in Madras, he is prepared to support and infer everything in favour of the Government, but, Sir, we who belong to the non-official world refuse to subscribe. Sir, if that is so, why should the Preamble of the Army Act in England say:

"Whereas it is illegal to maintain military forces in times of peace."

Mark the language, "it is illegal to maintain military forces in times of peace," therefore we enact such and such provisions. On the 19th of February 1923, an answer was given to this Assembly. I hope this Assembly is being treated seriously by the Law Department, not playfully. On the 19th of February 1923, the answer was given to us that these three Statutes had been repealed. Then under what power is this Army maintained? "Under the inherent power of the Crown." Sir, having said that on the 19th of February, to-day, when they are driven into a corner, the Law Department does not give up the inherent power, but invokes some other power, that is the implied power. If it was a plain statutory provision, lay people as we are, we would have asked for a reference to the particular section. Look at such and such a section. There would be no elaborate argument. The

very elaborate and laboured argument urged by our learned friend, the Law Member, shows how very weak the case is. I do not know how many of us have been convinced by this elaborate argument. I find it was an elaborate argument. What trust are we to place on it? Where are we now I want to know. What weight are we to attach to it as against the opinion given on the 19th February 1923? The matter is involved in serious doubt. I want this matter to be treated seriously. I am sorry if I bore the House in this matter. I quite recognise this is a constitutional question which cannot be discussed effectively or usefully on the floor of this House. We have raised this question and we want the Government of India to examine its position carefully and, if necessary, consult the law officers of the Crown, those famous law officers of the Crown in England, or eminent constitutional authority in this matter. Sir, we are not willing to take the law as laid down by either the Honourable the Law Member on the 19th of February, or to-day, or as laid down by the Honourable Sir P. Sivaswamy Aiyer for whose opinion I have the greatest respect, but I rather think the question was sprung upon him to-day, and I am sure he did not prepare for this and he gave an opinion offhand, which he seldom does, and therefore I attribute it to his innate sympathy for bureaucracy. But I do not want the House to decide this question. I do not think it was the object of Mr. Ginwala. It was not my object when I gave notice of this issue. We of the Assembly view this question with some seriousness. We will be very glad indeed if the Government will go to Parliament if they distrust us, or come to us and ask for legal authority if there is no legal authority. We are concerned, Sir, for this military expenditure and we want to see if it is really incurred legally. I ask the Government in all seriousness that the matter should not be disposed of in this light and easy manner in which they have attempted to dispose of it.

Sir Campbell Rhodes (Bengal: European): I move that the question, if there is one, be now put.

Sir Montagu Webb: On a point of order, may I ask if we shall have a further opportunity of discussing the Army Vote in other respects than this constitutional point?

Dr. H. S. Gour: When I rose to speak, Sir, I asked the Chair whether the other question was reserved for further discussion and I understood the Chair to say that it was.

Sir Montagu Webb: Then, Sir, my point is answered.

Mr. Deputy President: The question is that the question be now put. The motion was adopted.

Mr. P. P. Ginwala: I ask for leave to withdraw this motion. The motion* was, by leave of the Assembly, withdrawn.

The Assembly then adjourned for Lunch till a Quarter to Three of the Clock.

* "That the demand under sub-head 'Army Department' (page 47) be reduced by Rs. 100."

The Assembly re-assembled after Lunch at a Quarter to Three of the Clock. Mr. Deputy President (Sir Jamsetjee Jejeebhoy) was in the Chair.

MESSAGE FROM THE COUNCIL OF STATE AND BILLS LAID ON THE TABLE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform you that the Bill to give effect to certain Articles of the International Convention for the Suppression of the Traffic in Women and Children, as passed by the Legislative Assembly at its meeting of the 9th March 1923, was passed by the Council of State at its meeting of the 15th March 1923, with the amendments indicated in the attached statement. The Council of State requests the concurrence of the Legislative Assembly in the amendments."

Sir, I lay the Bill on the table.

In accordance with Rule 25 of the Indian Legislative Rules, I also lay on the table the Bill to declare the law in force in certain territories of the district of Sambalpur and to provide that the past administration of those territories shall not be called in question on the ground that they were not included in the territories administered by the Government of the Central Provinces, which was passed by the Council of State on the 15 March, 1923.

THE BUDGET—LIST OF DEMANDS.

SECOND STAGE—contd.

DEMAND NO. 14—GENERAL ADMINISTRATION—contd.

Rao Bahadur T. Rangachariar: I am sorry my friend Sir Sivaswamy Aiyer is not here in his place. Nevertheless I have been told that one remark which I made during my speech just before Lunch was understood in an improper way, my reference to his "innate sympathy with the bureaucracy" and "unpaid" advocacy. It was far from my intention to impute anything to my Honourable and esteemed friend. I am very sorry I used that expression and I now withdraw it.

Munshi Iswar Saran (Cities of the United Provinces: Non-Muhamadan Urban): Did you call upon me, Sir, to move No. 323?

Mr. Deputy President: Yes.

Munshi Iswar Saran: I beg your pardon, Sir. I was under a misapprehension. If you will allow me I shall move it now.

Rao Bahadur T. Rangachariar: Is it to be taken that No. 317 is disposed of?

Mr. Deputy President: Yes.

Munshi Iswar Saran: If you will be pleased to allow me, Sir, I shall move No. 323. Thank you, Sir. I move:

"That the provision for sub-head 'Army Department' under the head 'General Administration' be reduced by Re. 1."

I wish to invite the attention of this House to the reduction that has been made in the sum set apart for the Territorial Force. As the time is very short I wish only to indicate the points on which I would like to invite the attention of the military authorities as well as of the Honourable Members of this House.

One may not be quite in perfect agreement with the details of the scheme of the territorial force, still the consensus of opinion amongst us is that all that can be done should be done in order to push forward this scheme of the territorial force. It is, therefore, to be deeply regretted that the meagre sum that was allowed for the scheme last year has been cut down by Rs. 10 lakhs.

Then there is another point to which I wish to draw the attention of the House very briefly and it is the announcement that was made about the Indianization of the Indian Army. Now, Sir, at the time that the announcement was made, I am afraid the Honourable Members of this House did not have the full scheme before them and therefore were not in a position to view the question in its proper perspective; but now the scheme has been supplied to us by the Army Department and we are in a position to really understand the full effect of the announcement that was made some time ago on the floor of this House. As it will be in the recollection of this House, it was said that 8 Indian units would be Indianised. Now what we find is from this scheme that it would take at least from 20 to 23 years to Indianise these 8 Indian units. Then there is this paragraph in this statement:

"A question has been asked whether the experiment is to be fully tried before the next step is taken, that is to say, in dealing with the other units of the Indian Army. The point is one on which Government are not in a position to make a statement. It would obviously be premature to do so. The first measure of Indianisation has only now been embarked upon and the developments to which it may lead cannot be foreseen or foretold."

So the result of it is this: that this first instalment as it were of this reform that we have got is to take about quarter of a century to come into full operation, and as regards the future developments of this scheme of Indianisation we know very little. For, as it is said, it is rather premature at this stage to say anything about what the future is going to be. I submit that this scheme, now that all the details have become public property and are known to all the Honourable Members of this House as well as to everybody outside this House, will not—I say so, Sir, after full deliberation—give satisfaction to the people. About a quarter of a century to be taken for the Indianisation of 8 units and the rest to remain in doubt and in uncertainty because the Government of India is not in a position to make any definite statement. I need not in this connection draw the attention of the House to the fact that there are various services of the Army Department to which no reference is made. The Indianisation for the present is to be confined to the Infantry and to the Cavalry; but as Honourable Members of this House are fully aware, there are other departments of the Army about the Indianisation of which the scheme is perfectly silent. I therefore submit, Sir, that this announcement which has been made is hardly satisfactory.

Sir Montagu Webb: Sir, this time last year in common with many other Members of this House I supported a motion for a nominal reduction in the vote of the Army Department in order to express the very great anxiety that I and others felt at the magnitude of the military

[Sir Montagu Webb.]

charges. Well, Sir, the Incheape Committee have made their Report, and on the first page of their Report on Military Services, they write:

"The expenditure which has been incurred in the past may have been inevitable, but the question is whether India can afford to maintain military expenditure on the present scale as an insurance against future eventualities. In our opinion the repeated huge deficits of the last few years, in spite of the imposition of heavy new taxation, have made it abundantly clear that India cannot afford this expenditure."

That opinion, I submit, Sir, confirms the soundness and the statesmanlike character of the action taken by this House last year in making every effort in its power to cut down the military expenditure. A few paragraphs later on the Incheape Committee write:

"We are informed that there is no idea in the mind of the Government of India of continuing a forward military domination up to the Durand line at the present time."

Notice those two qualifications "*up to the Durand line*" and "*at the present time*." The Honourable the Foreign Secretary informed us that it was the intention of Government to maintain what I can describe as a half forward policy, that is to say, to occupy a line half way through Waziristan, and it is in this connection that I desire to give expression to the anxiety which many of us are still feeling with regard to the crores and crores of rupees which are being poured into Waziristan. If I understood my Honourable friend the Foreign Secretary correctly the other day, he stated in eloquent language that the fundamental difficulty of this frontier problem was that the frontier districts "*breed too many and feed too few*," and that consequently the men of the hills have to come down into the plains in search of food and so forth. Now, I understand the present policy of Government is to construct a big lateral road at the foot of the hills, and another road behind the Mahsud territory and through Waziristan, and that it is proposed to employ local forces to police this road. I am still left in some uncertainty as to how the expenditure of all this money and the construction of these roads is going to cause the Waziris to breed **LESS** and to feed **MORE**?

Rao Bahadur T. Rangachariar: Buy more rifles. •

Sir Montagu Webb: On the contrary, it seems to me that the expenditure of huge sums of money in this country may quite conceivably produce just the opposite effect and that we shall find the Mahsuds, strengthened and supplemented by the receipt of several crores of rupees, in possession of still more rifles and in a position to give more trouble than ever before. It is because I feel some uncertainty and anxiety in this connection that I should like some further explanation in this matter.

Dr. Nand Lal: Sir, I endorse the view which has been put forward by the last speaker, but I should like to make an addition to it, and you will be surprised to hear, Sir, that so far as the special political expenditure in Waziristan went, it was Rs. 60,40,000 in 1922-23. The House will agree with me that this expenditure is very excessive and some portion of it must have been given to the people of Waziristan, and it is no wonder to me that some portion thereof might have been used by them in the purchase of arms, ammunition and rifles which may have been used, I am afraid, against the law-abiding and loyal subjects of His Majesty. Therefore, Sir, I submit that this heavy expenditure, which tells upon us, may be reduced as early as possible. With these few remarks, I resume my seat.

Khan Bahadur Abdur Rahim Khan (North-West Frontier Province: Nominated Non-Official): Sir, some time back when there was

8 P.M. debate of this question I strongly supported the close-border policy. I still stick to that. But unfortunately, the Honourable gentlemen who have spoken about the frontier and about the money spent on it, specially my learned friend, Dr. Nand Lal, are labouring under a wrong impression. They are mistaken if they think that they will altogether cut off the Mahsuds, so that they won't have any relation or anything to do with them. If they think they can keep them at arm's length they are mistaken. There are two alternatives before them. Either to subjugate them, which is both impracticable and impossible in the present circumstances, or the next best thing is to adopt the close-border policy which has been mentioned by Mr. Bray. I am afraid that the Honourable Members who say that the allowance which is paid to these Mahsuds and Afridis is a sort of bribery are altogether wrong and mistaken; they do not know that the money which is paid to them is in exchange for tolls, which they used to realise and enjoy in ancient times, and are now taken up by the Government instead. (Dr. Nand Lal: "I may point out to the Honourable Member that Afridis are different to Mahsuds.") Sir, I may at least expect this much from Dr. Nand Lal that, as when he speaks I listen to him patiently, he should do the same when I address the House. The tribes render also other services; for instance, they are responsible for keeping these roads safe and if any offence is committed on these roads they are held responsible for it. So, when you get some service from them, is it not fair to pay them something in return? When you enter into friendly relations with them, you must pay them what is their due. They have also got some rights, which must be respected. I am rather surprised at the suggestion made by some Honourable Members that, if you give them this money, they will get rifles with it. They don't know that these tribesmen are well-to-do people and as the Bokhara line is altogether open now and great trade is done in arms traffic they will not experience any difficulty on that account. Do you mean to say you think that they buy rifles with only the money you give them. That is not correct, on the other hand, it will be an inducement to them to behave well and render necessary services. Now, I will bring to your notice one important point which is that at present we are fighting a portion and not all the Mahsuds—we are fighting with only 1-10th of them, which has cost us so much in life and money. If all of them combine and fight us, you can easily judge the result. Even in the time of Sir Robert Sandeman, who pursued that policy of peace, do you mean to say he did not pay these people? If you think by not paying them you will have peace, you are mistaken. Even for the close-border policy you will have to spend money, although comparatively much less. You will have to increase the constabulary, you will have to increase your scouts, formerly the militia, you will have to construct towers and roads all along the border. Now, the question is, you have got two alternatives before you, either to occupy the country, and subjugate the people, for occupation you should give as much money as the military experts require or you must follow the close-border policy and grant the funds asked by the Political Department as the policy of occupation is rejected and the policy of close border is adopted, you should grant what they demand. Sir, if they cannot see their way to either then I think these Honourable gentlemen ought to go there and take charge themselves. I am sorry to say that the criticism on the frontier always causes the settled district people to suffer. I mentioned that last time and

[Khan Bahadur Abdur Rahim Khan.]

refer to it now. These cries against the frontier bring forth nothing but retrenchments, these retrenchments affect our legitimate demands. Retrenchment is just now thrust upon us and has recoiled on the people of the settled districts. On that account our education has greatly suffered; on that account everything else has suffered. I mean and refer to the report that was recently submitted by the Incheape Committee. With due respect to the experience of such a great statesman, with due respect to his great services to India in general, I must say that we, the settled districts people, have become the victims of his report, which has specially nipped our education in the bud, as no further grant will be given to the Islamia College, Peshawar, and the present grant of the Hindu College, Dera Ismail Khan, will be altogether stopped in future.

Mr. K. Ahmed: Sir, what is the relevancy of this?

Khan Bahadur Abdur Rahim Khan: My Honourable friend says there is not relevancy. I will request him just to think for a moment. Sir, I simply want to clear the situation so as to enable the Honourable Members to see what they should do. My Honourable friend perhaps wants to make a speech. So, I do not like to take up the time of the House. I must end my speech with the request that it will be a great mistake if you deduct any money under the head of the North-West Frontier Province.

The Honourable Sir Malcolm Hailey: I very much regret, Sir, that my friend Mr. Burdon is not able to be here to answer for the Army Department owing to sudden illness. I cannot myself offer to undertake the defence of the Army Department; but I will endeavour to give Mr. Iswar Saran some information in reply to the points which were raised by him. The first related to the reduction of expenditure on the territorial force. The Budget stood at Rs. 40 lakhs last year; it is Rs. 30 lakhs this year. The reason for this is that last year the estimates provided for certain initial expenditure which will not have to be incurred this year. The Rs. 30 lakhs which is provided does not therefore mean a reduction in the territorial force. We were simply able to budget for Rs. 30 lakhs this year because last year we incurred the necessary initial expenditure for the existing battalions. There are now formed 20 units of infantry and 6 units University corps. There are still to be formed during the coming year 2 mechanical transport sections and 2 electrical companies and a field ambulance. I hope that these facts will disabuse Mr. Iswar Saran's mind of any idea that the reduction of expenditure in itself necessarily means a reduction in the strength of the territorial force. As regards the second point, he expressed disappointment, as a result of his study of the statement which was placed on the table by Mr. Burdon, in regard to the Indianisation of 8 Indian units. He laid great stress on the fact that it will take somewhat over 20 years to completely Indianise those units. That of course follows from a calculation of the length of time it takes to arrive at particular grades of rank in the Indian Army. The difficulty of course would be to expedite the process in the case of Indian officers at a rate over that which applies to British officers. He is, however, taking an extreme figure; the date he gives is the date at which they will be completely Indianised; the great bulk of officers in those units will, of course, be Indianised long before that period. It is, of course, the case that we have had to admit that we cannot foresee the process of

further Indianisation, namely, how long we should have to wait before the present experiment is regarded as successful and a further step forward be taken. But we cannot foresee the future. I will only put this to the House that it knows perfectly well that a process of this kind, when once begun, does not stop.

Munshi Iswar Saran: How long will it take?

The Honourable Sir Malcolm Hailey: To answer that question would require a provision which neither I nor any Member of Government could exercise. We have begun the process. The Honourable Member may well rest assured that if in the initial stage we are persuaded that the steps that we have taken in the Army are as successful as it has been elsewhere then the process will be more rapid than at present seems likely. With regard to the remaining criticisms that have been uttered on the subject of the Army to-day, they relate mainly to Waziristan. My Honourable friend Mr. Bray is here. He has already given the House a very full appreciation of the situation in Waziristan and of the policy decided on. The motion is for reduction of one rupee only. I have not heard from Members here any desire to condemn whole heartedly the policy which Mr. Bray has put forward. . . .

Rao Bahadur T. Rangachariar: This is not the time or place for discussing such a large question. I would ask for a separate day for discussing that question.

The Honourable Sir Malcolm Hailey: I was coming to exactly the same conclusion as my Honourable friend Mr. Rangachariar. I was wondering whether in the course of demands for grants we could profitably discuss a question like that of Waziristan and I was going to leave the matter in the interrogative form to the House.

Mr. Deputy President: The question is:

"That the provision for sub-head 'Army Department' under the general head 'General Administration' be reduced by rupee one."

The motion was negatived.

Lieutenant-Colonel H. A. J. Gidney: Sir, I am sorry that the Member in charge of the Department is not here to answer my question. (*Cries of "What is the number of the amendment?"*) The subject I wish to talk about is

(*Cries of "What number?"*)

Mr. Deputy President: It is almost the same as No. 316.

Dr. Nand Lal: I may invite your attention to No. 327. It does not relate to the same proposition.

Mr. Deputy President: I called upon the Honourable Member (Colonel Gidney) to move the amendment which stands here in his name. That amendment is not printed.

Lieutenant-Colonel H. A. J. Gidney: Regarding my amendment and with your permission, Sir, I wish to ask not for a reduction of Rs. 15,000 but for a reduction of one rupee only in the pay of the Assistant Secretary of the Army Department, Government of India. I do this to have an opportunity of bringing before this House certain matters in connection with the Military Medical Department.

Rao Bahadur T. Rangachariar: I rise to a point of order. There is amendment No. 316 by Munshi Iswar Saran. You ruled that I could not move No. 317 and I also understand that you ruled that No. 316 could not be moved. This is only No. 316 repeated by Colonel Gidney.

Dr. H. S. Gour: And of which we had no notice.

Mr. Deputy President: If you object to the amendment on the score of want of notice I must rule it out of order.

(Then the Deputy President called upon Mr. Agnihotri to move his amendment).

Lieut.-Colonel H. A. J. Gidney: I do not know whether my amendment has been ruled out of order because I do not know whether it has been objected to formally.

Mr. Deputy President: Yes.

Munshi Iswar Saran: I just wish to know whether the recommendation of the Incheape Committee in regard to the post of Inspector General of Irrigation has been carried out, and if not, when it is proposed to carry it out.

The Honourable Mr. B. N. Sarma (Revenue and Agriculture Member): The matter is being considered. It has not been decided yet what to do with this question and I think it will be decided very speedily.

Munshi Iswar Saran: Then I do not wish to move my amendment No. 326.*

Dr. Nand Lal: Sir, I beg to move:

"That the demand under sub-head 'Public Works Department' be reduced by Rs. 10,000."

As you know, the public works in the major provinces is a provincial transferred subject and the Irrigation Department also, though it is a reserved subject, is very intimately connected with the same department. Then the Government of India has not much to do with both the public works and irrigation and therefore in the face of this fact it seems to be hardly necessary that so much expenditure may be incurred by the Government of India. In support of my argument may I invite your attention to the report of the Retrenchment Committee. By making reference to the report, you will be pleased to see that the public works in the major provinces is a provincial transferred subject, while irrigation (I am reading from page 133), with which this department also deals is a provincial reserved subject in regard to which the powers of the provinces have been largely increased:

"We do not consider that a separate department of the Government of India is in the circumstances required to deal with such questions as concern that Government. We understand that a large amount of the work at present transacted by the department consists of estate work in connection with the properties of the Government of India, in Delhi and Simla, the allotment of houses, etc., etc., which could more appropriately be dealt with by local administrative officers than by a department of the secretariat. A Branch of the department deals with Posts and Telegraphs administration which we propose should be placed under the Communication Department."

* "That the provision for Inspector General of Irrigation under sub-head 'Public Works Department' be reduced by Rs. 1."

In the presence of this recommendation my submission before the House is that the expenditure which we are incurring is not such an expenditure as is indispensably necessary and if the Honourable Member in charge of the Department will give me an undertaking that these recommendations will be appreciated and will be adopted, I shall not labour the point at all.

The Honourable Mr. B. N. Sarma: All that I shall say now is that the recommendations of the Retrenchment Committee on this question will be given very careful consideration. That is the answer which I gave to Munshi Iswar Saran also. I cannot usefully pursue this subject within the limited time at our disposal and therefore I shall not attempt to answer my Honourable friend. As I have said already, the recommendations are being considered and some of the money which is proposed to be saved under the head 'General Administration' includes the savings which would be the result of the re-grouping or re-amalgamation or partial retrenchment of some of the items included in this head also.

Dr. Nand Lal: In the circumstances I withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. P. P. Ginwala: In the notice paper, I have stated that I intended to move for a reduction of Rs. 15 lakhs. With your permission, I will alter it to Rs. 5 lakhs. I move:

"That the demand under the head 'General Administration' (page 36) be reduced by Rs. 5 lakhs."

As suggested by our Leader of the National Party this morning, there is general agreement on both sides of the House that the reduction of 5 lakhs on this head "General Administration" is not too much. In fact, a good deal more might have been asked for, but as there is this consensus of opinion in favour of reduction only of Rs. 5 lakhs, I shall only ask for that amount. I will draw your attention to page 4 of the Revised Schedule of Demands, from which it would appear that the reduction proposed by the Inchcape Committee was Rs. 49,89,000, but effect was given to Rs. 36,37,000, so that there is a real margin of 13 lakhs from which I ask that Rs. 5 lakhs more should be deducted, and there would be Rs. 8 lakhs for what the Honourable the Finance Member described as the "lag." I think that is a very generous allowance even for a department which generally lags behind other departments. I move my amendment.

Lieut.-Colonel H. A. J. Gidney: Sir, I am glad at last to have this opportunity of my Honourable friend Mr. Ginwala's amendment to put forward certain points and obtain certain information regarding the Military Medical Department and in doing so, I wish to state at the outset that it is not my desire to sacrifice quality for quantity. Having been a member of the Indian Medical Service myself, I feel I can talk with some experience both as a Military and a Civil Medical Officer. Whilst carefully studying the various books with which we have been provided, it struck me, that there is room for a great deal of economy in this Department. A glance at the staff of the Military Hospitals (*vide* Army Estimates and Retrenchment Report) shows that there are 333 Royal Army Medical Officers entertained in India at a total cost of Rs. 39 lakhs per annum. That there are only 1,927 beds occupied per day in all the British Army Hospitals. This works out roughly to about 6 beds per officer. Of course, I am aware that

[Lieut.-Colonel H. A. J. Gidney.]

the R. A. M. C. Officer has other important duties to perform, *e.g.*, sanitation, specialistic, daily outdoor sick, etc. I am intentionally confining my remarks to attendance on in-patients. Then, take the I.M.S. Military Department. There are 495 I.M.S. Officers entertained at a total cost of 47 lakhs of rupees per annum. The daily average occupation of Hospital beds in all Indian Army Hospitals is 4,506. This works out at about 10 beds per I. M. S. officer. Further examination into the personnel of the British Army Hospitals reveals the fact that there is a body called the R. A. M. C. Ranks, recruited from the same class as the British soldier but differs from him in that they receive a sort of a training as male nurses. These men, ill-educated and partly trained, have recently been brought out to India, I believe, with the ostensible purpose of replacing the I. M. D. in British Army Hospitals, but are to-day employed as male nurses. This corps has a total of 470 maintained at an annual cost of 6 lakhs. Besides this there are about 400 Military Assistant Surgeons I. M. D. costing Rs. 15 lakhs per annum who are employed in British Troops Hospitals and who, as per figures quoted, *i.e.*, 1,927 beds in daily occupation, have 4½ patients to attend to daily per man. Then there is the Queen Alexandra's Military Nursing Service, which consists of about 233 nurses recruited from England and 66 in this country, total about 300. The Retrenchment Committee Report shows that in the British Army Hospitals there is a daily occupation of 1,927 beds and 4,506 in the Indian Army Hospitals. This works out to about 8 patients for each British Hospital nurse and about 68 patients to each Indian Hospital nurse, although the Member in charge of this department when I asked him a question in January last year replied to me that there were 38 beds per nurse in the British Hospitals and 100 per nurse in the Indian Military Hospitals. Besides this, Sir, there is an enormous menial personnel attached to the various military hospitals. It would weary this House if I went into further figures and percentages but with the personnel I have detailed it works out as follows: For the daily care of 1,927 in-patients in British Hospitals a staff of 1,465 trained personnel is employed whilst in Indian Military Hospitals a staff of 1,155 (*i.e.*, I. M. S. officers and Sub-Assistant Surgeons) is engaged for the daily care of 4,500 in-patients. Now, Sir, take the total strength of all ranks of the British Army as 70,000 and the total strength of the Indian Army as 250,000; alongside this take the gross expenditure of the Army as 64 crores and then see what amount of this sum is spent for the upkeep of the Military Medical Department you get

Mr. P. P. Ginwala: I rise on a point of order. This does not come within General Administration.

Lieut.-Colonel H. A. J. Gidney: From the calculation I have made it works out that the total military medical expenditure is almost 1/20th of the total military expenditure of the Army. In other words it works out that for the medical needs of every soldier (British and Indian) in this country, it costs the Indian tax-payer Rs. 100 per soldier per annum. Delve a little further into the figures supplied to us and it will be seen that each British soldier costs the country Rs. 78-8 per annum in medical personnel alone (not to mention the more expensive items as diet, housing, menial establishment, clothing, etc.), while the Indian sepoy costs only Rs. 23 per annum, less than one-third of the British soldier. Now, Sir, if you refer to the Inchope Committee's Report you will notice a fuller

list of the personnel than those referred to in my percentages on pages 20-21. You will also notice that that Committee has exposed the fact that in the British Army whilst 8,270 Hospital beds are provided and fully maintained, the daily average occupation is only 1,927 patients, *i.e.*, less than one-fourth of the beds are utilised. Whereas in the Indian Army for which 12,703 beds are provided, only 4,506 are in daily occupation, *i.e.*, a little more than one-third is utilised. Assuming we accepted this one-fourth and one-third as the actual in-patient hospital needs (I do not suggest this for one moment) of the army, surely one is entitled to suggest a bigger reduction than what the Committee have already suggested, namely, 5½ lakhs. Let us for a moment forget the professional view of the matter which I admit demands surplus hospital accommodation to meet the needs of unhealthy months when more beds are occupied, also epidemics, etc., and look at it from a purely business or tax-payer's point of view and from which this expenditure cannot be dissociated. Well, what do we observe? Personnel, both superior and subordinate, accommodation, equipment, etc., are maintained at the cost of the Indian Exchequer to three times or at least twice as much as the actual medical requirements of the armies in this country. Is this necessary? Is this fair to the Indian tax-payer? Is this sound business? Is it sound finance? I would like to know how any business concern could be run on these lines. I should like to ask my friend, Mr. Darcy Lindsay, as an assurance expert, what it would work out per year to any firm if it had to pay a premium of £s. 100 per each one of its employees. Now, Sir, the waste in this department was so glaring that the Incheape Committee found it necessary to suggest a reduction of 53 lakhs out of a total revised estimate of about 3 crores apart from other savings suggested. Assuming that this were a votable item and dealing with it on the question of supply and demand as a business proposition purely, this House would be entitled not to call for a retrenchment of 53 lakhs as has been suggested but of almost 2 crores. This for reasons already given would be a fallacious argument. Nor do I suggest it. Moreover the figures and percentages quoted by me are rough and have been extracted from the mass of figures to illustrate my argument and to demonstrate on what lines retrenchment can be effected in the Military Budget. I speak as a medical man and I have no hesitation whatever in assuring this House that the Military Medical Department offers *par excellence* a most fertile field for substantial financial retrenchment, even much more than has been suggested by the Incheape Committee. I now propose to show this House how this retrenchment can be effected. The nurses employed in British Hospitals belong to the Queen Alexandra Nursing Service, and are recruited in England at a total cost of about 9 lakhs. I ask here—Is this expenditure necessary and is this service a necessity, especially when I tell this House that there is ample and suitable material in this country from which to get nurses of equal ability and at a much cheaper rate without any desire to deery or undervalue the admirable services rendered by this service to the British soldier. Yet I consider its retention in India under the circumstances detailed—a finesse or a frilling to the medical needs of our troops, and not an absolute necessity. The day of white nurses for white troops is gone, and the expenditure incurred on this service not only increases our army estimates but deprives nurses trained in and of this country, both Indian and other communities, of employment. During the war nurses from India were largely employed and were then found quite good enough for British troops and their war records prove what splendid work they did, but, now, with peace they are considered not good enough and nurses are imported from England on much

[Lieut.-Colonel H. A. J. Gidney.]*

higher wages. I consider, Sir, that this is a wanton waste of money, and that these nurses should be replaced by the trained women of this country. Why should the British Army in India need not only their food but their nurses from England? The time is not far distant when every military medical officer will be recruited in this country. That was the object of the Resolution, which I called my Medical Swaraj Resolution, which I brought before this House last year, but which was rejected. I make bold, however, to now say that in a short time a similar Resolution will yet be accepted by this House. I therefore submit that that is one of the means of retrenchment in the military expenditure and I present it for the serious consideration of the Member in charge. My next suggestion is as regards Assistant Surgeons. Here, you have a body of men 400 strong costing the State annually 15½ lakhs whose training of 4 and 5 years has been and is being debited to the Indian Exchequer. They are fully qualified and trained professional men who can sign certificates of life and death and whose certificates of licence are equivalent to those of any imported medical man for an Indian Court of Law. These men of the I. M. D. are appointed to British hospitals in a professional capacity subordinate to the R. A. M. C. officer. But as a matter of fact what duties are assigned to these men? They are used as glorified compounders not as professional men, following behind R. A. M. C. officers whilst they stroll through the wards taking down prescriptions and making entries in the diet sheets. That is how these professional men are used in British Military Hospitals. Why? Because I suppose the R. A. M. C. officers feel that their professional work cannot be shared with these subordinates. Anyhow, here we have an efficient body of professional men costing us 15½ lakhs per annum and I have no doubt many in this House have received treatment from this body of men whose services and salaries are wasted in British Hospitals simply because they are refused their proper position. I understand that it was, and may be is still, the intention of the D. M. S. India to replace these professional men by a body of poorly educated, partly trained European male nurses recruited in England called R. A. M. C. Ranks, 470 of whom are to-day employed in British Hospitals in India at an annual cost of 6 lakhs. It may interest and greatly surprise this House to know that the Privates and N. C. Os. of this Corps receive higher salaries including allowances than the junior classes of Military Assistant Surgeons. Can you conceive of anything more wasteful than the employment of this corps, than the replacement of Military Assistant Surgeons by such a body of men and who to make matters worse receive a higher salary.

I submit, Sir, for the very serious consideration of the Honourable Member in charge and this Honourable House that this R. A. M. C. (Ranks) should be forthwith abolished as not only unnecessary but a colossal waste of public money. They are of no use to-day. They were not found necessary before for British Hospitals and why should they be necessary now? This attempt to replace a fully qualified body of Assistant Surgeons by another body of partly trained, comparatively ill-educated male nurses is, I consider, a criminal spoliation of public money.

Now, Sir, I also submit for the serious consideration of the Honourable Member in charge that the strength of the R. A. M. C. officers should be markedly reduced. To call upon this House to permit an annual expenditure of 37 lakhs of rupees for the maintenance of 333 R. A. M. C.

officers who have about 6 in-patients per day per doctor is a ridiculous waste of money. The same remarks apply with almost equal cogency to the I. M. S. I know, Sir, that these officers do other duties, such as Serologists, Bacteriologists, Public Health Officers and so on; but that does not detract from the strength of my argument or its cogency. I am seriously tempted—nay, I feel I am entitled to ask the Military authorities as also this Honourable House whether it is really necessary for British soldiers when they come out to India to bring their own nurses with them—a privilege that is even not enjoyed except by a few English babies when they come to this country. Queen Alexandra Service Nurses have done noble and admirable work in the past and also to-day but the time has come owing to this enormous military budget for replacing them with nurses recruited and trained in this country and who can be obtained at a lower cost—at least Rs. 100 less. Excluding other incidental expenses, e.g., passage to and from England, etc. I offer this as another way of effecting further retrenchment in the Military Medical expenditure.

The last point I wish to suggest to the Member in charge is that if the British Military Hospitals cannot find suitable and legitimate work for the Military Assistant Surgeon, then say so. Free them from the undignified and profitless work to which they are put and transfer their services bodily to Civil India which to to-day crying out for trained medical men. Refuse to allow the Army authorities to use these trained Military Assistant Surgeons as glorified compounders and clerks to R. A. M. C. officers and so help to still further reduce the Military budget.

Rai Bahadur L. P. Sinha (Gaya cum Monghyr: Non-Muhammadian): I rise to support the motion moved by my friend Mr. Givwala and in doing so I will confine my remarks to the reorganisation of the five Departments only. The Retrenchment Committee recommended the fusion of the five Departments, namely, that of Education, Revenue, Commerce, Industries and Public Works, and to divide again into two Departments, namely, General and Commerce. They showed by a statement, at page 134 of the Retrenchment Committee's Report, that the total cost of all these five Departments, according to the Budget for 1922-23, is Rs. 24,68,900, and their recommendation was to reduce this expenditure to 13 lakhs by the reconstitution of these two Departments. So thereby they suggested a reduction of Rs. 11,68,000, of which they thought one lakh will be required for the expansion of the Board of Revenue and Staff. Thus the ultimate saving proposed by the Committee was Rs. 10,68,000. But, Sir, Government in their revised Schedule of Demands accepts to reduce only a sum of 5 lakhs, thereby leaving Rs. 5,68,000 unreduced. In supporting the motion I would commend to Government the proposal of a further reduction of 5 lakhs which I think will not be very unreasonable on my part to demand considering that even then Government will have Rs. 68,000 for their terminal charges for these Departments. Lastly, Sir, I would like to draw the attention of the House to the fact that the figures taken into account by the Retrenchment Committee in proposing their reductions were the figures of the original Estimate for the year 1922-23. Presumably the revised budget figures for the same year were not placed before the Committee and in my opinion had the revised figures for those five Departments which is nearly 2 lakhs less than the original Budget figures been placed before the Committee, their proposed reductions would have been still greater. With these remarks, Sir, I beg to support the motion.

Mr. A. F. L. Brayne (Finance Department: Nominated Official): Sir, I might perhaps be able to explain the position and indicate what Government have been able to do in this matter. My Honourable friend, Mr. Ginwala, pointed out that the reductions recommended by the Committee amounted to about 49 lakhs and that Government had reduced only 36 lakhs leaving 13 lakhs still to be taken off. Now, when Mr. Ginwala was dealing with that budget head, he was dealing with a very much wider field of expenditure than that which is now under the consideration of the House, namely, Demand No. 14, General Administration. If the House will turn to page 126 of the Report of the Retrenchment Committee, they will find in paragraph 2 that this budget head includes about 22 lakhs of expenditure in the minor administrations, which is distributed over the North-West Frontier Province, Delhi and various other minor administrations. There is also expenditure of about 70 lakhs in England which covers the cost of the India Office and the High Commissioner. Under the head General Administration, we are only concerned with the Governor General and staff, the Executive Council, the Legislative bodies, the Secretariat and attached offices. Now, under the first three heads, the Governor General, Executive Council and Legislative bodies, it is not intended either by the Retrenchment Committee or, as I understand, by the House to make any reduction at all. That leaves us with the Secretariat and attached offices. Now, on page 144 of the Report the Committee indicate their conclusions. As regards the Secretariat, they say that there should be reductions amounting to 14 lakhs, and under the head Attached Offices, which are shown at page 135 of the Report, they indicate savings of Rs. 3,95,000. The total savings thus indicated amount to 18 lakhs. Now, against that, the Government have taken Rs. 8,67,000 in the budget out of the 14 lakhs proposed for the Secretariat; and out of the Rs. 3,95,000 proposed for the attached offices they have taken Rs. 3 lakhs. that is to say, out of 18 lakhs proposed for reduction Government have carried 12 lakhs into the budget. That leaves 6 lakhs to be dealt with. Now, is it at all possible to reduce another 5 lakhs from that 6 lakhs? The 5 lakhs will be found as follows: at page 134 of the Report the Committee indicates certain savings under various departments, Foreign and Political, Home, Legislative, Finance; those savings have already been carried into the budget within a few thousand rupees. They show that certain other departments costing about 24 lakhs might be amalgamated into two departments the cost of which would be about 14 lakhs, taking into account a lakh for the expansion of the Board of Revenue; that is to say, they indicate a saving of 10 lakhs. Government have only taken into account 5 lakhs there for the simple reason that they have to allow for a very considerable lag and terminal charges. Even supposing that a decision were arrived at on this subject to-morrow it could not be carried into effect in time to secure a larger saving than 5 lakhs for the simple reason that the Secretary of State's sanction has to be obtained to reduction of some appointments. Further, we have to give three months' notice to staff. Those who are discharged will go on leave and their leave allowances will continue to be carried against the Budget. Therefore, so far as can be seen there is no possibility of saving more than 5 lakhs under this head.

Mr. Deputy President: The question is:

"That the demand under the head 'General Administration' be reduced by Rs. 5,00,000."

The Assembly divided:

AYES—53.

Abdul Majid, Sheikh.
Abdul Quadir, Maulvi.
Abdulla, Mr. S. M.
Agarwala, Lala Girdharilal.
Ahmed, Mr. K.
Aiyer, Sir P. S. Sivaswamy.
Asjad-ul-lah, Maulvi Miyan.
Ayyangar, Mr. M. G. M.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Barua, Mr. D. C.
Basu, Mr. J. N.
Bhargava, Pandit J. L.
Chaudhuri, Mr. J.
Dalal, Sardar B. A.
Das, Babu B. S.
Gidney, Lieut.-Col. H. A. J.
Ginwala, Mr. P. P.
Girdhardas, Mr. N.
Gour, Dr. H. S.
Gulab Singh, Sardar.
Hussanally, Mr. W. M.
Iswar Saran, Munshi.
Jamall, Mr. A. O.
Jamnadas Dwarkadas, Mr.
Jatkar, Mr. B. H. R.
Joshi, Mr. N. M.

Lakshmi Narayan Lal, Mr.
Latthe, Mr. A. B.
Mahadeo Prasad, Munshi.
Man Singh, Bhai.
Misra, Mr. B. N.
Mudaliar, Mr. S.
Mukherjee, Mr. J. N.
Nag, Mr. G. C.
Nand Lal, Dr.
Neogy, Mr. K. C.
Ramayya Pantulu, Mr. J.
Ramji, Mr. Manmohandas.
Rangachariar, Mr. T.
Reddi, Mr. M. K.
Samarth, Mr. N. M.
Sarfaraz Hussain Khan, Mr.
Singh, Babu B. P.
Sinha, Babu Ambica Prasad.
Sinha, Babu L. P.
Sinha, Beohar Raghubir.
Sircar, Mr. N. C.
Sohan Lal, Mr. Bakshi.
Srinivasa Rao, Mr. P. V.
Subrahmanayam, Mr. C. S.
Venkatapatiraju, Mr. B.
Vishindas, Mr. H.

NOES—34.

Abdul Rahim Khan, Mr.
Abul Kasem, Maulvi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Aiyar, Mr. A. V. V.
Allen, Mr. B. C.
Blackett, Sir Basil.
Bradley Birt, Mr. F. B.
Bray, Mr. Denys.
Brayne, Mr. A. F. L.
Bridge, Mr. G.
Chatterjee, Mr. A. C.
Clark, Mr. G. S.
Cotelingham, Mr. J. P.
Crookshank, Sir Sydney.
Faridoonji, Mr. R.
Haigh, Mr. P. B.
Hailey, the Honourable Sir Malcolm.

Hindley, Mr. C. D. M.
Holme, Mr. H. E.
Hullah, Mr. J.
Innes, the Honourable Mr. C. A.
Ley, Mr. A. H.
Lindsay, Mr. Darcy.
Mitter, Mr. K. N.
Moir, Mr. T. E.
Munammad Ismail, Mr. S.
Percival, Mr. P. E.
Rhodes, Sir Campbell.
Sams, Mr. H. A.
Sassoon, Capt. E. V.
Spence, Mr. R. A.
Townsend, Mr. C. A. H.
Webb, Sir Montagu.
Willson, Mr. W. S. J.

The motion was adopted.

The Honourable Sir Basil Blackett: Sir, before the final question is put, I must try once again to explain what the position is. Under the estimate for General Administration we have made a cut which is the best estimate we can make of what would be the effect of putting into force at the earliest possible moment all the cuts recommended by the Incheape Committee, including the cuts which various Members of the House have to-day expressed their desire not to see enforced. The House has made a cut of five lakhs over and above that. Now, Sir, we do not produce estimates in which there is five lakhs which we can spare. It is out of the question that we should make a cut of five lakhs in this case and at the same time carry on the administration. The House must realise its

[Sir Basil Blackett.]

responsibility. We have done our very best to present estimates representing the minimum that we should spend if we carried out all the Incheape Committee's recommendations. The House has questioned some of these recommendations and has yet made a further cut of five lakhs. That is the position.

Mr. N. M. Samarth (Bombay: Nominated Non-Official): We have been told that the Government made all the cuts which the Incheape Committee recommended. May I point out that the Incheape Committee on page 144 recommended a saving of Rs. 14,08,000 on item No. 1 and of Rs. 3,95,000 on item No. 2 that is to say, about Rs. 18 lakhs, out of which Government have made a cut of 8.67 lakhs on item No. 1 and 3 lakhs on item No. 2, in all 11.67 lakhs; that is, short of the Incheape Committee's recommendations by 6.3 lakhs.

The Honourable Sir Basil Blackett: That is exactly the position. As I have said before, we have presented an estimate which represents the best view that we can have of what would be the expenditure next year if we put all the Incheape Committee's recommendations into force at the earliest possible moment. There must be an allowance for lag. Those recommendations are not in force to-day. They will not be in force on the 1st of April. As the Incheape Committee themselves have taken pains to point out, their figures are the figures for a year in which the recommendations would be in full force as from the 1st of April without any allowance for lag or terminal charges.

Mr. N. M. Samarth: The question is whether at the end of the year you will be able to make that reduction or not.

The Honourable Sir Basil Blackett: The answer is in the negative.

Rao Bahadur C. S. Subrahmanayam: I rise to a point of order, Sir. I am afraid this post-war discussion probably is not entirely in order.

Mr. Deputy President: I am afraid that the Chair cannot help the Government in this matter. The vote has been carried by the Assembly.

Dr. H. S. Gour: I will only add, Sir, that if the Honourable the Finance Member has any difficulty where to make the cuts, we will assist him.

(Mr. Deputy President then called on Dr. Gour.)

Mr. P. P. Ginzala: I have got one, Sir, No. 338. I beg to move, Sir:

"That the demand under the head 'General Administration' be reduced by Rs. 100."

Mr. Deputy President: I think the demand for reduction by Rs. 5 lakhs having been carried, these drop out. I thought Dr. Gour was going to speak on the question which has just been moved by Sir Basil Blackett.

Dr. H. S. Gour: I was then going to say that if the Honourable the Finance Member has any difficulty where to make his cuts from, Members of this House will gladly place their services at his disposal and show him to do it.

The Honourable Sir Basil Blackett: Sir, I shall be delighted to accept any assistance of that sort, but I defy the Honourable Member to show where I am to cut these particular items on which a vote has

just been taken by the Rs. 5 lakhs which the House has requested us to cut. It is no good saying there are cuts elsewhere. The cuts must be here. The House has given Rs. 5 lakhs less for our expenditure under these heads than the minimum that we estimated. It is no good saying that there are cuts elsewhere. That does not touch the question.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 68,90,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'General Administration'."

Mr. P. P. Ginwala: Before the demand is put I should like to make a few observations. Sir, I was under the impression that at this stage the House would be in a position to express its general opinion on the General Administration of the country during the last 12 months and with that idea I gave notice of my amendment No. 338. I do not wish, however, to weary a House which is already wearied with debate, but I think it is our duty to point out to the Government by way of a parting gift before we leave this demand as to what we think of the administration as a whole. The Honourable the Finance Member has just now suggested . . .

Mr. Deputy President: Is the Honourable Member moving his amendment?
4 P.M.

Mr. P. P. Ginwala: I am speaking on the general motion.

Mr. Deputy President: I thought we had been talking about this for the last two days.

Mr. P. P. Ginwala: I am now summing up the results. The President himself suggested this . . .

Mr. Deputy President: That was when the motion for a reduction of the General Administration charges came up. I thought Members had an opportunity of speaking on these matters in detail.

Mr. P. P. Ginwala: We wanted to raise this general debate on the General Administration as a whole. We were then told that an opportunity will arise at a later stage when this can be done. I offered no arguments at all on the motions for reduction and I submit that the House is entitled to express its opinion on the General Administration as a whole. I am not going into any particular Department at all. My submission is this that the Honourable the Finance Member in his speech as well as the other Government Members who have spoken have bewailed the series of deficits which we have had to face and have traced many of the causes for these deficits, but the most important and obvious cause was never hit upon by them, that is, the past extravagance of the administration of this country. Last year the House may remember we moved a very small reduction of Rs. 25 lakhs in the Railways Department and we were told that it would be disastrous if as much as Rs. 25 lakhs were deducted from the Administration charges. We have seen now the result. They themselves have been able to save about 2 crores of rupees on their original estimate and this year they have submitted practically to a Rs. 4½ crores reduction. Though of course, we do not propose to censure them in respect of whatever their conduct may be in the future with regard to expenditure, I think it is the

[Mr. P. P. Ginwala.]

duty of the House to let them know what we think of their past expenditure. There are many other points to which reference may be made in dealing with General Administration. There is the question of the Army. We are entirely dissatisfied even now with their Army policy. Sir Montagu Webb objected to the expenditure which was still being incurred, and for that not any one particular Member of the Government is responsible but the whole Government is responsible. Then there was this question of votable and non-votable subjects. They have as a Government, as I said this morning, restricted the scope of the votable items in some places and extended the scope of the non-votable items, and this House cannot allow . . . (*The Honourable Sir Basil Blackett*: "And vice versa.") But we do not object to a non-votable item being made votable. (*Dr. H. S. Gour*: "That is our right.") We positively object to a votable item being made non-votable. This is the only opportunity which we can get to express our opinion on these various aspects of general administration. I hope the Government will show a certain amount of penitence and that they are on the way to mend their extravagant habits of expenditure and . . .

Mr. Jamnadas Dwarkadas: I rise to a point of order. I do not want to interrupt the Honourable Member's speech, but I should like to know what we are discussing. (*Cries of "General Administration."*) What is the question? It has not been placed before us (*Cries of "Remarks on General Administration."*)

Mr. P. P. Ginwala: I am sorry that the Honourable Member is so impatient of any remarks in the nature of censure on his Government . . .

Mr. Jamnadas Dwarkadas: I am only anxious to know what is going on.

Mr. P. P. Ginwala: I am trying to point out to the House that I think it is imperative on it to draw the attention of Government to the fact—even though we have the highest opinion of each individual Member of the Government which no doubt many of us have—that as a body we have not got such a favourable opinion of them as administrators. If the House does not express its opinion now I would like to know when it will. In these remarks though I was not allowed to move a formal nominal vote of reduction I have sufficiently explained my own views upon the work of Government as a whole, during the last twelve months.

The Honourable Sir Malcolm Hailey: I do not think that it is the desire of the House that a reply should be made at this point to a motion which was, with all deference to the Chair, so entirely out of place. We have devoted two days for the general discussion of the affairs of Government and its administration. Some 40 Members spoke on that occasion. We have devoted now very nearly three days to detailed discussion on separate items of administration. There have been some hundreds of motions tabled, in the course of which individual aspects of the administration have come under discussion. Now we come to a stage, in which you have put before the House the final demand for grant for General Administration, that is, the expenditure on the Secretariats and the Legislative bodies. I notice that no one chose that opportunity for initiating a general discussion on the conduct of the Legislative bodies. The Honourable Member however thinks that he is in place in taking this opportunity for a general criticism of the whole course of Government Administration. I doubt whether that

is really the desire of the House that we should here and on this occasion, an occasion so entirely out of place, seek to justify the whole of our administration in past years. We are well aware of the somewhat bitter, somewhat irreconcilable attitude that is frequently taken by some Members of the House in regard to every action of the Government, good or bad. Take only one point. We know that when we do our best for retrenchment by appointing a powerful committee like the Inchcape Committee, and loyally accepting its recommendations, nevertheless there are those who express the most extreme form of dissatisfaction because we cannot make the whole of the reductions with immediate effect. Again, we are told that we have deliberately, and perhaps this is the worst insinuation of all, attempted to extend the classification of non-votable items, whereas the fact probably is that the re-classifications made actually extend the items on which the House has to vote. I conceive that I shall not be doing my duty if I were now to detain the House by a long debate on points such as these or by a lengthy review of all that we have done in the past. On a statement such as Mr. Ginnwala made, I decline altogether to accept his good opinion of the individual Members of the Government. I treat that kindness on his part with complete contempt; for we must be judged as a body and as a whole. I maintain that he is doing, and he knows that he is doing nothing but wasting the time of the House in attempting to raise a general discussion of this nature on this particular motion.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 68,90,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'General Administration'."

The motion was adopted.

DEMAND NO. 10—INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

Colonel Sir Sydney Crookshank (P. W. D. Secretary): Sir, I beg to move:

"That a sum not exceeding Rs. 8,07,98,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'the Indian Postal and Telegraph Department'."

Sir, at the outset I would invite the attention of Honourable Members to the report of the Indian Retrenchment Committee, page 107, item No. 8 under the head of "conclusions" from which they will see that that Committee made proposals for a reduction of the colossal sum of Rs. 1,87,27,000 in the Budget Estimate for 1923-24 for this Department. This reduction has to be made against the items detailed in the last right-hand column of Appendix A which will be found on page 109 of the same Report. As against this very large sum, the department has by a Herculean effort—I may almost say—effected reductions which amount to about 128 lakhs of rupees, which is therefore only a few lakhs short of the total reduction which was recommended by the Committee. Honourable Members will no doubt realise that in a department like the Post and Telegraph Department, which is a commercial department depending very largely on its business for the revenue which it receives and in which it has obligations, commitments, agreements, contracts and other undertakings to fulfil, it is an extremely difficult matter to make reductions on this very large scale.

[Colonel Sir Sydney Crookshank.]

As an instance of the difficulties which we have to contend with, I will just read out a telegram which we received yesterday :

" At overflowing meeting last night of members, Indian Telegraph Association, Calcutta Centre, comprising all grades and ranks traffic and engineering branches, unanimously resolved respectfully to submit following to Government. Meeting views with grave concern suggestions and recommendations Inchcape Committee as touching possible reduction in pay, discontinuance of house rent and other allowances and free quarters as also reduction in engineering and traffic higher appointments and respectfully urges on Government the rejection of these recommendations which are viewed as arbitrary, harsh and unjustifiable, and as creating substantial grounds for widespread discontent. Resolution has support of entire Association and staff throughout India and Burma. Majority staff and families in dire poverty, children ill-fed, ill clad, while schooling beyond their means; any reduction in pay or allowances can only reduce them to state desperation; earnestly pray protection against recommendations in question."

Many other telegrams of a like nature have been received from powerful unions and associations throughout the country. In putting forth their amendments, I would venture to ask Honourable Members gravely to consider the difficulties and disabilities which we had to contend with in making this very large cut of 128 lakhs and to remind Members that, as I have already stated, we have done our most.

Mr. B. N. Misra: Sir, I beg to move :

" That the provision for Working Expenses under the head ' Indian Postal and Telegraph Department ' (page 31) be reduced by Rs. 25,000."

When I sent this amendment asking for a reduction of working expenses, I made up my mind to point out the top-heavy administration of this Postal and Telegraph Department. Sir, if we compare the increase of work since 1913-14 to about 1921-22 and if we compare the increase of officers and staff, we find that really the increase of officers in the Postal and Telegraph Department has been nearly 32 per cent., whereas in regard to the staff the increase is by about 17 per cent. In the two departments really the officers have been increased in such large numbers that it costs much more than is really desirable in the interests of the working of the departments. The staff has been increased only by 17 per cent. Moreover I find the increase of expenditure is more in the Telegraph Department, although the Department, as was pointed out by the Honourable Mover, is a commercial concern. The Postal Department pays more revenue to the Government and it transacts much pecuniary business, Savings Bank, Registration, and many other branches which fetch more revenue. But I see less money has been spent on it, whereas on the Telegraph Department much more money has been spent and the increase of revenue has not been really so much. Of course there is no separate accounts and we do not find the income separately shown, but really that will be found to be the case if the matter is scrutinised. Then, Sir, we find the pay in both the departments is very disproportionate. In the Telegraph Department you find the pay of these officers is much more, whereas people who transact very responsible business such as receiving money orders or savings bank deposits and have heavy and responsible transactions in money are paid much less. I beg to point out to the House that even in England these services are not paid on a separate scale. They give the same pay to both the branches. I fail to see why in India a separate pay and a very much higher scale of pay should be paid to the Telegraph Department, and why the Postal Department

should not be paid on the same scale. I had in my mind several other details to point out but I do not do so now. The Retrenchment Committee desire retrenchment of some items which are very undesirable. They propose to take away some postal peons and take away some small officers whose pay is very small but who render much service to the public and whose retention will be very beneficial to the public, but they want to keep many highly paid officers at the top who really do nothing except perhaps supervise, and do not really do useful work for the public. I find there are several amendments in this matter and especially one by Dr. Gour who asks for a reduction of 10 lakhs, and as I ask for a small sum, I must leave my arguments to be advanced by Dr. Gour. I wish him success and I hope he will get this 10 lakhs. In his favour I withdraw.

Mr. Deputy President: I consider it a useless taking up of time for the Honourable Member to have made all these remarks and then to have withdrawn the amendment which stands in his name. If he wanted to withdraw in favour of Dr. Gour, it was open to him to do so without making this speech.

Dr. Nand Lal: Sir, my motion runs as follows:

"That provision for Indian Postal and Telegraph Department—Working Expenses (Stores and Working Establishment—Voted Expenditure), Appendix A, be reduced by Rs. 500."

I recognise that the Indian Postal and Telegraph Department is a very useful department. It is apt to be considered the eye and ear of the public. It is a department through whose services one can speak to one's relations and friends at a great distance. I will not trouble the House with details, but there is one aspect of the question, which has induced me to offer certain suggestions. One is this, that in the Telegraph Department the Indian element, especially at those telegraph offices which are located in big cities, is comparatively very small. May I invite the attention of the Government of India to this point?

The second point which I wish to place before the House is this, that lots of printing is done, and I am told that private printers are not given full share in this work.

The third point, which has been considered a great grievance by the public, is this, that stores are purchased and that a very large portion of those stores is not purchased in India. If this is a fact, and if this complaint which has reached me has got any truth in it, then I hope that the Government of India will, for the future, take some suitable measures that this grievance on the part of Indians may be properly and adequately redressed.

The other point to which I wish to draw the attention of the House is that last year we seriously suggested to the Government of India, especially to the Honourable the Finance Member, that if we were to abolish the quarter-anna post card, most probably that abolition would not eventually pay us and that, instead of gaining something, we might lose. If my information is correct, then I think that eventuality has happened. I hope that Government this year will kindly give serious consideration to the suggestion which was put forward last year and which, most probably, may be repeated this year.

The same complaint may be urged, in the form of a repetition, in connection with the enhancement of postage in connection with letters, that is, from half an anna to one anna. So far as my information also in this

[Dr. Nand Lal.]

connection goes, the Postal Department has not gained much. I therefore hope that the Government of India will give serious attention to this question also; this time it is not too late for the Government to think of it. In this Department, serviceable as it no doubt is, we should try to see that the system which we adopt and the rates which we may fix may be such a system and such rates as may be able to fetch more money for us, that is this fixity of rates should be on business lines, a rate which will invite the public to make use of the Post Office. Allow me to say that this increase in the rate of postage has put a clog in the way of the poor people to have communications with their relations and with their kith and kin, and in certain quarters it has been considered an impediment in the way of some commercial people also.

The last point, which I have got to urge, and which is equally serious, so far as its character goes, is that some complaints have reached me to show that when the public goes to some of the big Post Offices they are sometimes detained and in the case of letters sent to the Post Office, the answers are given too late. If these complaints are correct, then the Government of India will be kind enough to see that this complaint is also remedied.

With these few remarks I submit this amendment before the House and, if the Honourable Member in charge will give me some undertaking that these grievances will be attended to seriously by the Government of India, I shall not press the point very much.

The Honourable Mr. B. N. Sarma: Sir, it may assist the House in curtailing the discussion if I make a general statement as to the efforts we have had to make in order to comply with the suggestions of the Retrenchment Committee to reduce recurring expenditure met from Revenue to the extent of 137 lakhs and from Capital to the extent of 50 lakhs. The Department loyally submitted to this recommendation almost wholly, because we felt that it was undesirable in the present financial condition of the country to press for the full expenditure which would be really necessary to keep the Department efficient, well staffed and ready to take up the work which has been steadily flowing in during the last few months. They have agreed, I may state to the House, to some retrenchments even to a greater extent than has been suggested by the Retrenchment Committee in order to be able to accept the figure of 137 lakhs within a very narrow margin, and in order to do so, the straits to which they have proceeded will be realised by Honourable Members when they know that they have to submit to a grant for maintenance and repair of postal buildings amounting only to Rs. 73,000 as against a normal figure of Rs. 4,23,550. That is, they had to agree to a cut of Rs. 3,50,000 upon maintenance and repair of buildings, and a cut of a lakh on telegraph buildings.

It would be detaining the House unduly long if I were to go through the various retrenchments which the Department had to submit to, and which the Government had to accept. Suffice it to say that, in view of the diminution in the amount of work that was due to trade depression largely, we agreed to a small reduction under the head of Staff, and to a considerable reduction under various items, aggregating as Sir Sydney put it, roughly to 129 lakhs under Revenue and 50 lakhs under Stores. I think further, Sir, it would be impossible to go further without sacrificing completely all efficiency and producing an amount of discontent which no Department can afford to face.

Well, a good deal of apprehension is being entertained by the staff, but we hope that we shall be able to continue, without any very substantial retrenchment, most of the staff at present working under the various departments, without seriously affecting any emoluments they have been drawing as the result of the recommendations of the Postal Committee and the Telegraph Committee which sat two years ago. There seems to be an impression due no doubt to a statement made in the Retrenchment Committee Report that the number of officers in this department has grown out of proportion to the increase of work since 1913-14. I may correct that misapprehension because it was due to the fact that a number of officers who were drawing less than Rs. 200 and who were not included within the figures of 1913-14 were, owing to the recommendations of the Postal Committee having been given effect to, brought on a scale at which they were drawing more than Rs. 200; there is no increase in strength or increase in numbers as stated; they were brought under the head of officers drawing 250 or more and consequently there is an increase from 514 to 678. As a matter of fact if those who have been promoted by reason of those increments be deducted, you will have to reduce the figure by about 70 so that the proportion is exactly to the increase in the work and Honourable Members will see therefore that on the postal side there has been no undue increase at all in the number of officers.

I may point out another error which has crept in with regard to the telegraph figures. We are actually 16 under strength if we are to take the recommendations of the Telegraph Committee which sat in 1920 as to what should be the proper strength to do a certain amount of work. But we had to put up with that deficiency and we mean to put up with that deficiency because it would be unreasonable to increase the strength at a moment of financial stress like this. There seems to be also a general idea that there is a very large number of very highly paid officers in this department and retrenchment might just as well be effected in the upper ranks with financial benefit and without considerable loss of efficiency. I may point out, Sir, that the committee which sat to investigate the grievances of the postal staff found that the number of higher offices open to the staff was remarkably low in this department. 14,500 or 14,700 clerks had very few higher offices open to them; you have got about 181 or more superintendents and a large number of postmasters, and the higher appointments which are open to these were considered low and they have made recommendations to improve their prospects. Therefore the number of higher officers in this department is not relatively as large as perhaps would be urged as desirable in the interests of the staff. I shall not take up the time of the House by pointing out how the figure is smaller than it is perhaps in some other departments and how economically this department has been working with the staff at its disposal; but we have agreed to reduce some of the highly paid posts having regard to the considerations I have already mentioned. During recent years there has been a promotion of many Indians from the special or local scale to the general scale, adding to the increased cost in some directions; and Honourable Members may rest assured that this aspect of the question will be borne in mind whenever there is any possibility of increasing the Indian element; but I may say that this department is chiefly manned or almost wholly manned by Indians including in that term Anglo-Indians or statutory Indians. Sir, with regard to the printing and stores and similar . . .

Dr. Nand Lal: I made reference specially to the Telegraph Department, not to the Postal Department, so far as the Indian element goes.

The Honourable Mr. B. N. Sarma: If there be any special grievance which Honourable Members desire to bring to the notice of this department, they would only too readily inquire into them and set right any such grievance as may exist. There was one suggestion made by Dr. Nand Lal with regard to the increased postal rates introduced last year. It is a large question, and I do not want to go into it now. The Department and the Government are as anxious as ever to keep the postage as low as possible. The revised estimate is 969 lakhs as against 905 of 1921 Actuals. Therefore, there is an increase of 64 lakhs, and although I admit that the postage revenue has suffered to a slight extent owing to increased rates, there has been a steady improvement and the figures that we have taken in February last indicate an improvement of about 13 per cent., and we hope during the next year to give the general exchequer as much as 161 lakhs of rupees net. I do not think I need take up the time of the House any more, but I think we have done all that we could to carry out the recommendations of the Retrenchment Committee and Honourable Members will not, I hope, suggest any further retrenchments which would be detrimental to the efficient working of the department.

Dr. Nand Lal: Sir, in view of what has fallen from the Honourable Member in charge, I beg leave to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

Rao Bahadur T. Rangachariar: Sir, I intended to raise a very broad question and a very important question too under the head of provision for allowances, honoraria, etc., to the Wireless Branch of this Department, but I do feel, Sir, that this is not the occasion for raising it. I refer to the question of wireless broadcasting in this country and it will require another day for discussion. I heard that my Honourable friend, Sir Sydney Crookshank, is himself going to bring up the subject in the shape of a Resolution. I hope, Sir, the matter will be placed before this Assembly and that no decision will be arrived at before this Assembly has had an opportunity of considering the scheme which I see has already excited a great amount of public comment in consequence of the conference which was held recently. I understand the subject is a very important one and that the department itself would like to discuss it on a separate day.

The Honourable Mr. B. N. Sarma: I may suggest, Sir, that the question which it was proposed to discuss if time permitted is with regard to the wireless scheme as a whole, and not with regard to wireless broadcasting. But I may assure the House that the scheme that we put forward was for the purpose of eliciting the views of the general public on a tentative embryonic scheme and that we did not want to proceed at all in haste and grant licences without ascertaining what the public opinion was. We have to take sufficient protection to safeguard the interests of the community generally, for promoting the general interests of any Indian companies that may exist or that hereafter be started and also for safeguarding the interests of the press. Any representations that may be received will be fully considered, and I do not think anything will be done hastily. It was with a view, as I said, to elicit public opinion that we have published the draft licences, and we hope the public will kindly co-operate with us. The thing cannot be put off indefinitely. I agree the country has a right to know what we propose to do and we do expect

their co-operation and friendly criticism in that respect, so that the future promotion of wireless broadcasting which we think ought to be assisted may proceed on healthy lines.

Rao Bahadur T. Rangachariar: My point is whether this House will have an opportunity to discuss the subject, so that we may offer our criticisms on the proposed measures, if not now, at least in the July session. It is a very important question, and it will not do to merely consult the public and the newspapers, but this House also should have an opportunity to discuss it, and I wish to emphasise it.

Dr. H. S. Gour: Sir, the motion which I beg to move is:

"That the demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 10,00,000."

Honourable Members will find from the statement supplied by the Finance Department, under the head Posts and Telegraphs the following statement:

"Excluding Interest on Debt the budget of the Department was about Rs. 9 lakhs above that recommended by the Retrenchment Committee. A further provisional reduction of Rs. 3 lakhs has been made in the provision for expansion of establishment."

If, I understand this statement aright, it means that 9 lakhs of rupees above that recommended by the Retrenchment Committee was budgeted for and in response to the recommendations of the Retrenchment Committee a reduction has been made of 3 lakhs.

(At this stage Mr. President resumed his seat.)

Therefore, 6 lakhs worth of retrenchment recommended by the Inchcape Committee have not been given effect to. It was very refreshing to hear the Honourable Sir Sydney Crookshank reminding the House that the Postal and Telegraph Department is a commercial Department. Now, Sir, if we turn to this commercial Department, what do we find? The Honourable the Finance Member in his budget statement referred to this Department in the following terms:

"The effect of the new postal rates during the first few months of the financial year was to reduce correspondence. There have since been signs of recovery and the public are now getting gradually used to the higher postal charges. For the present, however, I think we must anticipate a diminution of 106 lakhs in our anticipated receipts in 1922 and 1923. There is a small saving in working expenses and, after debiting interest, the Department will probably prove to have been run on a profit of about 24 lakhs."

Do Honourable Members realise what this statement means? It means that this commercial Department of the Government of India spends about 100 per cent. upon its management and the outturn is either nil or negligible. That is the first thing Honourable Members must bear in mind. Another question that Honourable Members cannot forget is the discussion we had in this House last year when the postal and telegraph vote was under discussion. The Honourable Mr. Geoffrey Clarke, speaking on behalf of the Posts and Telegraphs, justified the increased postal rates on the ground that it would bring more income and wipe out the deficit and with the surplus there would be expansion of the Post Office. He pathetically referred to certain struggling Post Offices which would have to be closed if we did not accede to the increased postal rates. That appeal

[Dr. H. S. Gour.]

was not unsuccessful. But what has been the result? The Honourable the Finance Member's statement and the statement reiterated in brief by the Honourable Mr. Sarma has told us that the expansion of postal traffic has not been commensurate with the increased postage. On the contrary, the postal receipts have gone down in consequence partially of the increased postage. Now, Sir, I submit every economist knows that a time comes when what we call the saturation point is reached in taxation, and so far as postal rates are concerned, I submit that saturation point was reached last year, and the more you tax, the less you are likely to get out of that Department. I therefore submit that the first and dire necessity that confronts us as regards the management of the Post and Telegraph Department is drastic retrenchment. Now, in this connection, the Retrenchment Committee have made some caustic references to the inefficient management of the Post and Telegraph Department. My friend the Honourable Mr. Sarma has already referred to a few of their recommendations. Let me categorise them for the benefit of the Honourable Members. In the first place, they say that while during the last ten years under review the officers have increased by 32 per cent., the staff has only increased by 17 per cent. In this connection I have not overlooked the explanation given by the Honourable Mr. Sarma to which I shall presently advert. Then the Retrenchment Committee point out that the staff is excessive. Thirdly, they point out that the cost of travelling allowances is also excessive. Fourthly, they point out that there has been a great waste in stationery and printing. Let me give you one illustration culled from the Retrenchment Committee's own report. Last year they printed 50 millions of telegraph forms. But how many were really utilised? You will never guess it. Only 20 millions. The rest were all scrapped. (*A Voice: "Whose fault is that?" and other interruptions.*) I am coming to that. Then, Sir, the Retrenchment Committee point out that the staff of the officers of these two Departments get free quarters and houses to live in and they deprecate the giving of these houses free of charge to the officers of the Department and insist that a reasonable rent must be demanded of them. Lastly, they come to the question which one of my interjectors referred to, namely, the large accumulation of stores. Honourable Members will observe that the Government of India is more or less a Government of the Stores Department. No less than Rs. 50 crores worth of stores are lying stocked or imbedded in the depôts of the Government of India. The Incheape Committee have pointed out that this very large collection of stores which is daily deteriorating is inadvisable and that it should be disposed of to the advantage of the State. Now, in connection with the subject of Posts and Telegraphs they equally advise the Government not to make these large collections of stores for postal and telegraph purposes. Now, if these criticisms of the Retrenchment Committee are given due effect to, I have no doubt that the small sum of Rs. 10 lakhs when compared with the colossal figure of 8 odd crores of rupees would be, I submit, a very small percentage of economy which this House must ask the Post and Telegraph Department to make during the ensuing year. I feel, Sir, that there is absolutely no justification for not effecting the economy which we demand. I said at the commencement of my speech that I shall not forget to advert to the speech of my Honourable friend, Mr. Sarma. My Honourable friend has developed a true and genuine bureaucratic spirit. Whenever any question is put to him he tells us that the subject is under consideration. Whenever any demand is made it

will receive his sympathy, but beyond consideration and sympathy it does not go. Now, Sir, we are here not to invest in sympathies and considerations but to compel the occupants of the Treasury Benches to make themselves responsive to the will of the people's representatives in this House, and I submit that we shall not hear year after year these bureaucratic shibboleths which are hurled at us and have been hurled at us during the last three years, "The matter is receiving due and sympathetic consideration." We shall judge of their acts by the results and not by the promises and I think that the least that we can do in connection with the subject of Posts and Telegraphs is to ask my Honourable friend the Member in charge to set his house in order by cultivating a little more of the commercial spirit to which the Honourable Sir Sydney Crookshank adverted and run this Department as any businessman, as any commercial man will do. Why, Sir? There are many ornaments of the commercial firms in this House. If I tell any one of them that I am going to embark on trade and I am spending 9 crores of rupees, at the end of the year either to lose 10 lakhs or to make this small pittance of Rs. 10 or 20 lakhs with the qualification and the necessary qualification of "probably" being superadded to my profits, what will be the result? The commercial expert will say, "Wind up your business. You are incapable and incompetent to run a business from which you can make no profit," yet we are told that this is a commercial department which requires every sympathy and consideration of the Members of this House. It is needless for me to point out that if we ask this House for a cut of Rs. 10 lakhs we are not doing much more than what the Retrenchment Committee have themselves recommended, and allowing for that most felicitous expression with which the Honourable the Finance Member has made the Members of this House by this time sufficiently familiar,—allowing for the lag, I am sure that the sum of Rs. 10 lakhs which we cut out of the budget for Posts and Telegraphs is as reasonable a cut as we should expect in the circumstances of the case. My friend the Honourable Mr. Sarma anticipated some of the arguments which were likely to be raised in the course of this debate by referring to one or two points. He first of all said and that was no doubt a statement which the Honourable Sir Sydney Crookshank stated that if we are to make any cuts at all, it would lead to widespread discontent. Now, Sir, whoever ever thought in a commercial department of making increases of salary and fearing economy on the ground that the employees will say "We do not like it." I am sure, Sir, that when the cuts are made people who are affected by the cuts do not like it at all. But that is a piece of unpopularity to which all departments are subject, to which all commercial houses are subject but the fact that it will lead to discontent in certain quarters should not deter the Honourable Member in charge from bringing into practice the principle which he himself has been enunciating, that this department must be run on a truly commercial and economical line. Then, Sir, I find that the Honourable Members are bubbling with enthusiasm to vote for my motion. I shall therefore be brief. My friend the Honourable Member in charge has said that there has been increase in the percentage of officers due to revision of pay. That may account for the number but it does not and cannot account for the cost. Then turning to the Telegraph Department may I once more recall that hackneyed complaint, complaint hackneyed but yet unredressed, that it has become the monopoly of Europeans and Anglo-Indians, and the sons of the soil are as a body not admitted within its sacred fold.

Mr. B. A. Spence: Are not Anglo-Indians sons of the soil?

Dr. H. S. Gour: We as the representatives of the people shall not be satisfied till we have seen the Indianisation of at least those services in which the Indians have proved their merit and competency. The Posts and Telegraphs are the departments of State in which the public are vitally and directly interested. They have a right to see that their representatives are admitted into the higher ranks of the Telegraph Department. My friend the Honourable Mr. Sarma made a casual allusion to Anglo-Indians and Europeans employed in the Services. I shall be very much interested to hear if he would vouchsafe some more particular information and give us the figures of the last three years, so that we may carry them to our constituents and tell them what we have done in the way of strengthening the Indianisation of these two services. How many Indians have been admitted into the superior ranks of the Telegraph Department? What was their number three years ago, and what is their number to-day? These are facts, Sir, upon which the Members of this House would like to have some enlightenment. Sir, I move my amendment.

Mr. President: Does the Honourable Member move his amendment for reduction of Rs. 10 lakhs? (Voices: "Five lakhs.")

Dr. H. S. Gour: Five lakhs.

Mr. President: Amendment moved:

"That the demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 5,00,000."

Mr. K. G. Neogy (Dacca Division: Non-Muhammadian Rural): Sir, I had no intention of taking part in this debate, and it is because I did not want to take up the time of this House that I did not move several motions that stood in my name. But Dr. Gour has just now set such a bad example to this House that I feel tempted to say a few words. Sir, it has been already observed that the increase of work in the post office has not been commensurate with the increase in the superior staff, and I think the Honourable Mr. Sarma pointed out that there was some misapprehension in regard to the classification of the staff due to the increase of salaries as a result of the last revision. I will, therefore, leave out the superior staff when I give a few figures to this House. The increase of work in the post office has been 35 per cent. if we compare the figures of 1913-14 with those for the year 1921-22. Now, let us see what the increase of staff has been in the different branches of the postal organisation. I leave out the superior staff altogether, the direction and its staff. The increase of clerical staff in the Postmaster-General's offices has been 38 per cent., that is to say, 3 per cent. in excess of the increase in work, and menials in these offices 38 per cent. Then, in the presidency and district offices, postmasters and clerks increased by 28 per cent. as compared with an increase of work of 35 per cent., and the menials in the presidency and district offices increased by 18.8 per cent., and the postmen increased by 11 per cent. as compared with 35 per cent. increase in work.

Now, let us come to the telegraph branch of the combined department. The increase of work in the telegraph branch has been 22 per cent., if we compare the figures for 1913-14 and the figures for 1921-22; and the increase in the number of telegraph masters has been 34 per cent., or 12 per cent. in excess of the increase of work. And, then, the increase of telegraphists

and signal room clerks has been 27 per cent. or 5 per cent. in excess of the increase in work, and the menials in the telegraph department increased by 70 per cent. as compared with the increase of work by 22 per cent. Now, how does the Honourable Member in charge propose to effect the cuts in compliance with the recommendations of the Incheape Committee? I find that the postmasters, gazetted and non-gazetted, were 7,302 in 1922-23. Their number as given in the paper supplied to us in connection with the budget of this year is 7,278, that is to say, a decrease of 24. Then, again, taking the postmen and the village postmen, their number in 1922-23 was 20,528. Their number as given in the papers in connection with the present budget, is 28,736, the reduction being 792. Let us compare with these figures the reduction proposed under Telegraphs. The Telegraph Masters numbered 335 in 1920-21. Their number has been set down as 353 in the present budget. Now Dr. Gour has already referred to the recommendation of the Incheape Committee in regard to the question of house rent and allowances enjoyed by the telegraph people. I will only draw the attention of the House to another recommendation of the Incheape Committee, namely, that the number of Telegraph Masters and telegraphists which stands at 3,426 ought to be reduced to 2,806, that is to say, by 626. I would very much like the Honourable Member in charge to explain as to how he justifies this disparity in the cuts on the two branches of the joint department. Now, Sir, it will be seen that it is the public who are going to be affected by this unusual cut in the number of postal peons and delivery clerks and people whose duties are in connection with the village post offices. But, Sir, what do we find when we come to the higher grades? The number of Superintendents of Post Offices stood at 150 in 1922-23. The Department proposes to cut this down to the remarkably low figure of 146, removing two probationary Superintendents. I may point out to the House the Superintendents' work has been decreased of late years by reason of the curtailment of the number of inspections which they are required to make of the various post offices. I believe about two or three years back they were required to inspect the post offices twice a year, and now they are required to inspect each post office, I believe, once a year only. There is another point. Inspectors are now authorised to inspect more offices. Besides that, when we come to the amount of travelling allowance set down under the head Superintendents we find that the amount has been cut down considerably. That at least shows that the Superintendents are not expected to inspect the post offices as they used to do in the past years. What justification is there therefore for retaining the number of Superintendents at 148? Sir, Dr. Gour in opening his speech, referred to the Postal Department as a commercial department, and he cited the authority of the Honourable the Finance Member in his support. I beg to join issue both with the Honourable Finance Member and Dr. Gour on this point. I think it is a public utility department and it will be wrong on our part to look for any surplus revenue from this department in aid of the general revenues of the country. I believe that the principle which is observed almost throughout the world in regard to this matter, is not to consider the Postal Department to be a commercial department in the strict sense of the term, but to consider it a public utility department, whose primary duty is to assist the public in carrying on their business and thereby, indirectly enable Government to benefit by their efforts.

Now, Sir, I propose to deal with this point at some length in connection with the Finance Bill, and, therefore, I do not want to tire the patience of this House now.

Lieut.-Colonel H. A. J. Gidney: It is a true saying, Sir, that "a little knowledge is a dangerous thing" but it is a truer saying that "no knowledge is crass ignorance". Dr. Gour has exemplified this and in his usual thunderous way takes every opportunity in this House of bombarding the Members in charge of various Departments for information regarding the community which I have the honour to represent asking what percentage of appointments we hold, etc., notwithstanding the fact, as this House knows, that it is my desire to discourage and disclaim communal preferences. Dr. Gour has to thank my community for his seat in this Assembly, but I shall take good care, Sir, that he will get no more votes from them at the next election. Sir, I rise to strongly protest against the amendment which Dr. Gour has moved and I do so with a certain amount of inside information and knowledge of the Telegraph Department, for I had the honour last year to sit on the Telegraph Committee which inquired into and adjusted certain of the grievances of this Department. I protest against this motion not with any communal feelings or with any desire to satisfy the insatiable appetite of Dr. Gour when anything comes up about my community, but to discuss its merits on the lines indicated by my Honourable friend Mr. Neogy who calls this department one of public utility and not as one of the money making departments of the Central Government. Sir, it was two years ago when discussing the Budget that the Member in charge of this Department openly admitted that he knew very little about the profit and loss of the Post and Telegraph Departments. It possessed no such account. Quite recently two distinct committees have sat to inquire into the details and grievances of this Department. I was on the one which sat last year. We now have the report of the Retrenchment Committee before us. This morning when discussing the Medical Department I paid great attention and respect to the report made by the Retrenchment Committee on that department. I regret to say that I cannot give the same weight to their report on the Telegraph Department. If Honourable Members will turn to page 94 and read the top paragraph of that page they will find it stated:

"It has not been possible for us in the limited time at our disposal to make any exhaustive analysis of the staff employed in relation to the work performed, but in order to attain a general impression, etc., etc."

(The italics are mine.) Now, Sir, this paragraph itself condemns the report of this Retrenchment Committee on the Postal and Telegraph Departments and it cannot be compared in value with the reports of the two previous Committees which sat to discuss the detailed working and grievances of this Department. I, therefore, cannot pay much attention to what this Committee has said so far as this Department is concerned. True there is room for some retrenchment in these Departments but certainly not on the lines indicated by this Committee. Let us take the first suggestion on page 94 of this Report—"Reduction in the staff". Now, Sir, the work performed by the Telegraph Department is essentially a fluctuating one; greater in one month than in another. It usually is. Does the House think that, if a staff of 500 is required for the month of September, that because traffic is less a month hence, the strength of the staff should be proportionately reduced in the interests of economy? Telegraphists are skilled and highly trained men who cannot be taught within a month. You must have a big reserve to fall back upon for all requirements including a leave reserve and, therefore, I submit that any reduction in the staff is not a wise move. Dr. Gour talked about

the waste of millions of telegraph forms that are printed. I wonder how many forms Dr. Gour has wasted for his own use! It is not the Government that is responsible for this waste. It is the public. I wonder how many unused telegraph forms he has hidden away in the drawers of his Vice-Chancellor's office writing table!

Then, Sir, another question very lightly entered into by the Incheape Committee is that of house accommodation and house rent for the staff. Sir, I had a lot to do at the last Telegraph Committee on this very matter, which was brought prominently to our notice, and I am sure Mr. Rangachariar, who was the President of that Committee and who was very averse to agreeing to any increased allowances to the staff, will remember that he himself saw the necessity of granting adequate house allowance when it was absolutely necessary. Sir, I cannot conceive of any Member of this Honourable House giving serious attention to the remarks made in the top paragraph of page 100 of the Retrenchment Committee's Report. This Committee when talking about house accommodation said:

"We are of opinion that in cases where it is necessary to provide quarters for the staff reasonable rents should be charged, and where such accommodation is not available house rent allowances should be granted for a reasonable period until the men transferred have had an opportunity of finding suitable accommodation."

This paragraph alone proves conclusively that this Committee was ignorant of the difficulties in obtaining house accommodation in Simla and Delhi, not to mention other parts of India. I therefore consider it would be a very unwise and unjust retrenchment to make in the house rent of the staff.

Dr. Gour then twitted my Honourable friend, Sir Sydney Crookshank, on the contents of the telegram which he read out to the House as reflexive of the personal views of the Telegraph staff regarding the retrenchments suggested by the Incheape Committee and tried to belittle its value and weight. Let me in all the seriousness and emphasis at my command inform Dr. Gour—I notice a sardonic smile developing on his face—that whatever his feelings are towards any community and their supposed monopoly of this Department and which I challenge, I wish to impress upon him this one fact: The Telegraph Department constitutes one of, if not the most, delicate and important wheels in the Government clock, and I would advise him and this Honourable House not to undervalue this wheel—not to understaff the men working this wheel—not to underpay the men who control this wheel and not to underestimate the telegram read out by Sir Sydney Crookshank, otherwise they will overstrain the working of this wheel; and I hesitate to think what will be the result if that wheel in the Government clock were so overstrained as to stop working. I offer this note of caution and advice for the serious consideration of this Honourable House and I strongly urge you to oppose this demand and so show your appreciation of a Department which has always done its best for the country and risen to all occasions.

Rao Bahadur T. Rangachariar: Sir, I have sometimes felt that being on Committees is sometimes a convenience and sometimes an inconvenience. I could be a popular champion to-day in opposing extravagance and advocating economy to-day if I had not some inside knowledge of the difficulties that the Postal and Telegraph Departments have to grapple with. Sir, from the year 1918 onwards serious crises have been averted by the tact, prescience and careful handling of the situation which was shown by the Government from time to time. Sir, let us remember that

[Rao Bahadur T. Rangachariar.]

we are dealing with the human element, mostly educated human element, in both these Departments. We are not dealing with inanimate things like Stores. The army of postal officials, the army of telegraph officials, who are scattered throughout the country from north to south and from east to west—we have to take their position into account in dealing with this question. Sir, my Honourable friend Colonel Gidney has referred to one portion of the Incheape Committee's Report; I wish to speak always with the greatest respect of that Committee. In this matter of free house allowances, however, to these officials of these departments I cannot but think that they have made a grave blunder. Sir, remember that these postal and telegraph officials have to be at their post of duty at all hours of the day and night to obey the calls of the public. Have you seen the telegraph officials, those of you who take so much interest, have you seen the telegraph officials working in Simla? Have you seen them without house accommodation being provided there, they have to walk up to the Telegraph Office on the Mall, nearly four or five miles from far away residences? Sir, they have to go there at 10 o'clock at night; their shift hours change; they do not get all day hours; they have to go at their shift hours; they have to go at 8 o'clock at night and leave at 3 or 4 A.M. for their homes. Is it just to compare these people with other Government servants who have to go at fixed office hours, just as in revenue offices or courts where you can go at 10 o'clock and get back home at 5 or 6 in the evening? Sir, there are Government servants and Government servants. It is a very large question as to who you should provide accommodation for, and I think the rules made by the Government of India in that respect do not at all err on the side of humanity. I have examined those rules with care and I find that it is difficult to impose more restrictions than there are already in them.

Again, Sir, I called for a statement showing how the retrenchment proposed by the Committee has been carried out. The chapter on Posts and Telegraphs is one of those interesting chapters where the Retrenchment Committee have been able to go through the matter most thoroughly, for it is one of the earliest subjects they took up, and the then Director General of Post Offices was supple in their hands. They discussed every proposal with him and I find almost all these proposals carried out. If Honourable Members will compare the figures recommended by the Committee and the figures carried out, Honourable Members will really be surprised at the effort put forward by that department in loyally carrying out these recommendations. The figures tell their own tale. Honourable Members will see the recommendations of the Incheape Committee came to 137 lakhs and they have actually carried out 131 lakhs. I have not worked out the percentage. Has any other department carried out the recommendations to that extent, may I ask? I am afraid, Sir, my Honourable friend, Dr. Gour, unfortunately had to deal with this department; if he had any prior motion under any other department I should have heartily supported him. But here he has touched a place where in fact it is impossible to make further cuts without sacrificing efficiency and without sacrificing human beings.

Sir, I know quite well that a certain portion of the Telegraph Department known as the general scale was some years ago avowedly kept for a particular community and in fact the Government of India of those days had a secret confidential Resolution on this subject. But I am glad to say that that Resolution has been cancelled. Now, Sir, in the general

scale of telegraphists a larger number of Indians have been taken into service. I can assure my friend Dr. Gour that progress is being made, but progress can only be made. You cannot kill people who are already in service. They have to go; vacancies should occur before you can introduce Indians, and I do think that an honest effort is being made in introducing Indians in the general scale of telegraphists. I have not got the figures with me here,—I have them in Madras,—but I am sure the Honourable Member in charge will be able to tell us those figures, in fact, it will also be a revelation to my friend Dr. Gour, if the Honourable Member in charge will show him my confidential report which accompanied the general report as President of the Telegraph Committee. Sir, matters are improving, and I am glad to say they are improving. I am sure some of my friends behind me are not satisfied with the progress made. I may also share in their dissatisfaction, but after all, we can bring pressure to bear upon the department. I do not think we have much reason to complain of the Postal Department. If Honourable Members will look at the postal establishment, they will see that there is a very large proportion of Indians in the officers' grades. In the telegraph line, it requires technical training, and facilities have to be created in this country; especially in the engineering department there are not now so many facilities and the Government ought to provide them in this country. All these things do take time, and I do think, Sir, that we should be unkind to a department like this which is serving the public honestly and faithfully. Now, can you think of a department where it is so easy to be dishonest? Letters are addressed to you, and you don't know what letters are addressed to you, and you get them all right. Look to the regularity of the service. Is it not easy for the poor postman to merely throw away those letters and say he delivered them? Are there many complaints to the effect that the addressees do not receive their letters? Take the money order system. Look at the large sums of money which are remitted by Money Orders and handled by these postal officials. Are there many cases of misappropriation and theft? There are no doubt, but they are very few.

Dr. H. S. Gour: May you not pay too much for a good thing?

Rao Banadur T. Rangachariar: That is a point of view, no doubt, but I do think it is not possible to estimate these things from outside. May I with all respect to Dr. Gour point out that it is more for the persons in charge of the department to know these things rather for us to offer criticisms on such details. By all means let us offer criticisms on broad principles. I ask my Honourable friend Mr. Raju not to treat my remarks with that smile with which he greets them. I know he pointed out this morning a paragraph about allowances. It is there the Retrenchment Committee have egregiously erred. I am sorry to say. However, I hope, Sir, my friend will not press this motion. It will be an unpleasant task to differ from him on a matter like this, but if he presses this motion to a division, I shall certainly record my vote against him.

Mr. R. A. Spence: I move, Sir, that the question be put.

Mr. H. A. Sams (Director General: Posts and Telegraphs): Sir, before I pass on to my remarks on the criticisms passed on the department, I should like first of all to point out a matter which I do not think the House has quite realised. The budget estimate for 1922-23 was 10,17,00,000, as you will see on page 109 of the Incheape Committee's

[Mr. H. A. Sams.]

Report. I want the House to realise this that assuming that this sum had been taken as the basis of our budget for 1923-24 it would have had to be automatically increased by two items. One is an increase of 13½ lakhs for increments of the staff which are absolutely automatic; the other is 6½ lakhs for the effects of sanctions, that is to say, that, if we appoint a clerk this year on an average of 6 months, we have obviously to pay him for 12 months next year; if the rent of a house is increased Rs. 100, that is to say Rs. 600 for this year, it will obviously be Rs. 1,200 next year. To the best of my knowledge, the Inchcape Committee did not take that into account. But our figure Rs. 8,93,18,000 does include these increases. What I claim therefore is not only that we have not done less than what the Inchcape Committee recommended; we have actually gone further. They did not take these items into account and we have. I want the House please clearly to understand that and especially my Honourable friend, Dr. Gour. He says that we are under the mark; I claim very distinctly that we are actually over the mark.

Now, Sir, the Honourable Mr. Misra has twitted us with making our cuts from the lower end of the Department instead of from the higher. I may tell him, as perhaps he is not aware—one of our handicaps is that while the Honourable Members of this House do not exactly know what positions we have already won, we on the other hand do not exactly know where they are going to attack. I want to tell Mr. Misra that three very high officers have been dispensed with this year already, namely, the Traffic Controller on the Telegraph side, a Deputy Postmaster General in Bombay, and an Assistant Director General of my office. I think that this is an earnest that we are not trying to cut down only from the lower end of the line.

Dr. Nand Lal made a remark about printing. I may inform him, as perhaps he is not aware of the fact that we get our forms from two sources, one is the Government contractors, a private firm, which is under the Industries Department and therefore is not under our control at all. The other is our own Postal Workshops at Aligarh. I mention this for Dr. Nand Lal's information.

Dr. Nand Lal: I was really referring to the work done at Aligarh. My submission was that the printing may be done through private agency. The Government should not get itself associated with that at all.

Mr. H. A. Sams: I can tell the Honourable Member that, as a matter of fact, at Aligarh, taking everything into consideration, we can print 20 per cent. cheaper than a private firm can. As regards stores, my Department will be only too glad if we can get the whole of our stores in India. Waiting about for stores to come from England not only increases our stocks but also costs very much more than we need pay. I will mention only one item, it is a very big item—which we cannot at present get in India, and that is wire. Now, Sir, the whole of our Telegraph Department turns on that. We talk about wires, we send wires, we receive wires, you see stranded wires along every mile you travel by train. Every inch of that wire has to come from England. And I for one am sure that our Engineering Branch will be only too glad when India herself can produce wire—it will be a magnificent industry for India.

Mr. W. M. Hussanally: What about the printing of postage stamps.

Mr. H. A. Sams: That is a matter with which my Department is curiously and paradoxically enough not concerned. It belongs to the Industries Department. We simply buy our stamps from them. We buy our stamps from the Treasuries and perhaps my Honourable friend Mr. Ley will be able to give you further information on that subject.

Sir, I have already answered my Honourable friend, Dr. Gour, on the question of our having made a less cut than the Inchcape Committee required. I hope I have satisfied him on that point. He has told the House that the postage has gone down. This is an important question—Rs. 12 lakhs more actually than was recommended—and I should like Dr. Gour kindly to listen to this. Here are the figures for the sale of postage stamps in 1921-22 and 1922-23. I will take the first month. In April 1921-22 the sales were 71,90,000; in this April they were 56,35,000. Of course Dr. Gour will immediately say "Obviously the postage has gone down." But I may remind Dr. Gour that the new postage rates came into existence on the 24th of April. It shows, therefore, conclusively I think, Sir, that some other condition, something else was operating and not merely the higher rate of postage stamps. As a matter of fact, taking into account receipts from the National Cash Registers in Bombay and Calcutta, which are practically the same as stamps, the total for 1921-22 was 6,51,00,000, while this year, taking the average—we have not yet got the actual figures,—it will be 7,12,00,000, that is to say, we shall be at the end of the year 6 lakhs to the good on the sale of postage stamps and receipts of National Cash Registers. That, I think, is satisfactory, and the House can imagine what our figures would have been if we had not raised the postage. Dr. Gour has mentioned travelling allowance. He will see that we have cut that down by Rs. 8,55,000. Personally I regret this step. I am convinced that every touring officer justifies every penny that is spent on travelling allowance. However, this is a lean year and the Department has among other items cut down the travelling allowances ruthlessly.

Mr. W. M. Hussanally: Is it a fact that every Superintendent of the Post Office whatever his pay travels first class?

Mr. H. A. Sams: I cannot go into that question now. I am not prepared to discuss the whole of the travelling allowance rules.

Lieut.-Colonel H. A. J. Gidney: Why can't you?

Mr. H. A. Sams: Colonel Gidney has answered Dr. Gour on the question of forms but I may inform the House of a rather amusing incident that happened the other day when a lady told me that a certain fruit-seller in Delhi was spreading out his wares on postal money order forms. The abuse of forms does not lie with us. It lies with the public. Either they get more forms than they require or as I am inclined to think some of them got forms which they do not intend to use for their legitimate purposes but for other purposes. I have issued a circular prohibiting the giving of bunches of forms to the public.

Mr. Darcy Lindsay: Why not charge for them?

Mr. H. A. Sams: That is practically impossible. The question of House rent has been ably dealt with by my Honourable friend Mr. Rangachariar who in this respect, and I may say in every respect, is a champion of the Department, and I thank him sincerely for championing that particular cause. (*A Voice:* "He is a bureaucrat.")

[Mr. H. A. Sams.]

I am glad to see that in this respect he has ranged himself on the side of the noble army of bureaucrats. Dr. Gour criticised the question of stores, and there I am entirely in agreement with him. In October-November last an officer was put on special duty to examine the whole question of stores in the Posts and Telegraph Department and the conclusion that he came to was that we could reduce the stocks very considerably and that if we could only get more articles in India, we could reduce them to a very much greater extent. It has been said that Indians are not getting a fair share of the loaves and fishes of the Department. I may say that on the Telegraph side there was recently a Chief Engineer who was an Indian, with an eye-glass, but still an Indian. The Chief Electrician is an Indian and a very able and clever one. The Traffic Controller, as long as the appointment existed, was an Indian and the Controller of Stores is an Indian. These are a few of the higher appointments which come to my mind. The postal side, as you know, has always been an Indianised Department practically from the very start. Mr. Neogy has insinuated to a certain extent that the cuts we have made have been not altogether fairly done. I can assure Mr. Neogy,—and I hope that he will take my word for it, because I was present at the meeting when Mr. Clarke and the other officers of the Department went through the Budget and made the cuts—that there was no question whatever of cutting more from one Branch than from another. We simply considered each particular item and we decided whether we could cut it out or cut it down or whether we could not do so. I will ask Mr. Neogy to accept my assurance on that point. Mr. Rangachariar has made a small mistake. He has assumed that the Incheape Committee dictated to my predecessor. That I can assure him was not the case. The Incheape Committee asked him to do what he could. Mr. Clarke and his principal officers met together on a historic Sunday, stayed in office the whole day long and the four of us went through the budget of 1922-23 and then Mr. Clarke told the Committee what we could do. Subsequently, we found that we could do a certain amount of more retrenchment. But it was Mr. Clarke who told the Committee what he could do, and I think it is rather a feather in our cap that the Committee agreed with him rather than that he agreed with them. I do not want to detain the House any longer as it is getting late. But what I want the House to realise is that the budget we put forward is an estimate only. It does not represent a correct and accurate account. We can only say what we think we shall want. If we find we do not want it it will be saved. What I do want to assure the House is that we have honestly tried to effect retrenchment in view of the present serious financial situation. We have made great sacrifices and it will be very difficult to carry on, I am almost certain that during the course of the year we shall have to go to the Standing Finance Committee for more money in certain respects. But I do want the House to be generous to us and to realise the fact that we have really and honestly done our best to meet the present financial situation.

Dr. H. S. Gour: In view of the assurance given by the Honourable Member that he merely thinks what he wants and that he will see that real economies will be effected in the Department on the lines indicated by ourselves on this side of the House, and more in view of the fact that a House divided against itself cannot stand, I wish to withdraw this motion.

Mr. President: Is it your pleasure that the amendment be withdrawn?

Mr. B. A. Spence: I object.

Mr. President: The question is:

"That the demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 5 lakhs."

The motion was negatived.

Mr. J. N. Mukherjee (Calcutta Suburbs: Non-Muhammadan Urban): I wanted to raise a question about one branch under this demand, namely, broadcasting

Mr. President: It is very inconvenient that the Honourable Member should raise this point at this stage. It would help the Chair if only Honourable Members would rise in their places before the question is put on a general reduction such as we have just disposed of, otherwise there would be too much repetition. I deliberately did not call upon the Acting Director General when he rose for the first time because other Members wished to speak, and I did not want him to have to speak twice. So far as I remember, the Honourable Member did not rise in his seat.

Mr. J. N. Mukherjee: I unfortunately did not catch your eye.

Mr. President: The Honourable Member is perfectly entitled to move his amendment but it is inconvenient especially at this late stage of the discussion of the Demands to ask for two speeches from the post office, when one will do. (*A Voice:* "The question has been discussed already.")

Mr. Deputy President: That is so.

Mr. President: That only makes the position of the Honourable Member worse.

Mr. President: The question is:

"That a sum not exceeding Rs. 8,07,98,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of the 'Indian Postal and Telegraph Department'."

The motion was adopted.

Mr. T. V. Seshagiri Ayyar: I should like to say, if I am in order, that I hope that nothing will be done to interfere with the extension of the post offices in the villages. That is a very desirable thing. In this connection I should like to say

Mr. President: Is the Honourable Member rising on a personal point of order?

Mr. T. V. Seshagiri Ayyar: Yes. In this connection I should like to point out, if I understood the Honourable the Leader of the House aright, that he seems to have used the expression that my friend, Mr. Ginwala, was wasting the time of the House, when he was speaking on the general administration. Sir, none is more considerate to Members of this House than the Leader of the House and I do not think that he really intended to convey that imputation against my friend. It may be that myself and my friend have not understood the Honourable the Leader of the House properly; and I believe he would give us an assurance that he did not intend to convey the imputation that my friend was wasting the time of the House.

The Honourable Sir Malcolm Halley: I was not conscious that I used that phrase, but I am reminded that I did so, and desire therefore to recall the circumstances to the House. What I was protesting against was the proposal that we should have a discussion on the whole conduct of Government, in every department, and in every sphere of activity, on a final motion for a grant which, as I have already pointed out, related to the head under which we provide funds for the Secretariat and the Legislative bodies. My remarks were directed mainly to a protest against utilising that opportunity instead of taking the occasion which the rules provided, namely, of the general discussion of the Budget. I would like to add that I regret to realise that it was Mr. Ginwala whom I accuse of wasting the time of the House; for, we know Mr. Ginwala is a constant attendant at the meetings of the House and one who always speaks to the point and, if I may be allowed to say so, never speaks too often. My remarks were intended to be of a general nature, and if they were couched in somewhat warmer terms than I have frequently used in this House, then, I would only ask Members opposite to remember that Mr. Ginwala made, at what seemed to me a most inopportune occasion, a general attack on our administration and made certain insinuations against us. Now, I felt very much the terms in which the insinuations against the Government were couched, for I say with some confidence that nobody has worked harder than we, the present Members of the Government, to maintain good faith with Members of this House. I would remind the House of what was once said by a Judge in Ireland: he asked people to remember that even the common policeman who walked the streets had a soul. If insinuations of that kind are made against us, we must resent them. If we are to be attacked, I ask that we be attacked in season and not out of season. I ask again that we may be attacked for our vices and not for our virtues. Thus, when we had been asked to make a small retrenchment of 25 lakhs and we succeed in making a retrenchment of over a crore, it was not reasonable to impute this to us for blame. Those were the kind of attacks that I resented. Well, it was far from my desire to accuse Mr. Ginwala of a practice of wasting the time of the House; but I did feel that the occasion for those attacks was misplaced; I did feel that they were out of season, I did feel the insinuations made were unreasonable, and that we were entitled to resent them.

Mr. P. P. Ginwala: Sir, I do not wish to lose the very good opinion of the Honourable the Home Member which he expressed when he said that I did not speak too often, by refraining from speaking a few words now. I do not think that the Honourable the Home Member can charge me with insinuation. I do not believe I insinuate anything at all, for I am rather like the Irishman who told a man that he wanted to give him a hint, and when asked what the hint was, he said: "Somebody has stolen my coat, and I think it is you." That is the way in which I generally make my insinuation and I am sorry to think that I have not made my observations sufficiently plain for the Honourable the Home Member to take them as criticisms, and not as insinuations. However, so far as I am concerned, I may assure the Honourable the Home Member that I indulge myself very much in free criticism of the Government and I expect the same thing from the Government as far as I am concerned, and nothing that he said to-day put me out in the least. I may perhaps add that if the Honourable the Home Member had not shown a little bit of temper, I should have taken him for a mediocrity. I am very much obliged to the Honourable the Home Member for having spoken as he has done.

DEMAND No. 11—INDO-EUROPEAN TELEGRAPH DEPARTMENT.

Colonel Sir Sydney Crookshank: Sir, I move:

"That a sum not exceeding Rs. 22,24,000 be granted to the Governor General in Council to defray the charge which will come in course of payment for the year ending the 31st day of March, 1924, in respect of the Indo-European Telegraph Department."

Sir, before we enter upon a debate on the amendments which have been tabled on this Demand, perhaps it will assist Honourable Members if I just briefly explain in as few words as possible what the position is in regard to this particular department. It is a department which is managed entirely by the Director in Chief, whose headquarters are in England. The Government of India have very little to do with it, that is to say as regards the direct administration and control of the department, and only deals with such correspondence on routine and departmental matters which come through my office in connection with matters of general administration and international questions. We are therefore in the position of the man who lies in bed all the year round and at the end of the year stretches out his hand and picks up a large sum of money for which he has done nothing. In the case of the year 1921-22, which is the last year for which I have detailed information, the Government of India picked up a net profit of Rs. 8,49,518. This I may remark was rather less than what it had been in previous years, but that is due not to any fault on the part of the Director in Chief, or the Government of India, but to the chaotic conditions in Russia and in the Balkans by which the telegraphic communications beyond Teheran and Pao were interrupted and are still interrupted. We must therefore look upon the gift which we receive in the shape of revenue in the Indo-European Telegraph Department for which we do nothing not too closely. If Honourable Members will refer to page 115 of the Incheape Committee's Report, they will find the total of the budget items for 1922-23 amounts to Rs. 43,35,000. Against that figure for the current year the Committee have recommended a reduction of Rs. 7,34,000. Honourable Members will observe that the proportion of reduction to the total expenditure is a very large one indeed. However, after careful consideration in the Government of India and reference to the Director in Chief I am able to inform the House that this reduction of Rs. 7,34,000 will be effected in full during the following year. We should perhaps, in considering the amendments, be careful not do too much to kill the goose that lays the golden eggs.

Mr. N. M. Samarth: Sir, I move the amendment:

"That the demand under the head 'Indo-European Telegraph Department' (page 32) be reduced by Rs. 2,11,500."

Now, my intention is not to kill the goose that lays the golden eggs.

6 P.M. My demand really amounts to asking that the sum of Rs. 2,25,000, which you find as Capital Outlay in Demand No. 11, the whole of which is votable, be transferred to Capital Account and not be charged to Revenue. Therefore, the goose remains and the golden eggs also remain. The House will find at page 122 of the Incheape Committee's Report that the Honourable Mr. Purshotamdas Thakurdas has written a minute of dissent on it, and he has pointed out that this is a commercial department which has been very remunerative to the Government of India, having yielded on the capital sum a return varying from 4-46 per cent. in 1913-14 to 14-58 in 1919-20 after allowing for a sinking

[Mr. N. M. Samarth.]

fund of 1 per cent. for depreciation of plant, and he goes on to say, however, that no commercial accounts are kept in this Department. Later, in paragraph 3, he complains:

"The Committee were unable to go into the expenditure of this Department in detail as no one in the Secretariat at Delhi could give further information in connection with this Department; and the Director, Persian Gulf Section, who interviewed the Committee, could not give detailed information regarding the Persian Section of the Department."

However, it has been shown by the Honourable Mr. Purshotandas Thakur-das in that minute that this is a very paying Department. There is already provision for the sinking fund and all I ask is that our expenditure be reduced by the proper entry being made in this connection, namely, transferring that item to Capital Outlay. Now, in my amendment I deduct from the Rs. 2,25,000 interest at 6 per cent. and my figure, therefore, stands at Rs. 2,11,500, which, I claim, should be transferred to Capital Outlay. I give 6 per cent. interest on it, so that in 16 years' time the whole amount is paid off. I really do not know why our expenditure should be swollen by this entry, which I consider to be wrong and to that extent that our deficit should be swollen. I therefore move this amendment of mine.

Colonel Sir Sydney Crookshank: Sir, perhaps I ought to explain in connection with this Capital Outlay that the capital invested in the Indo-European Telegraph Department has been met from the revenue account. The total capital now amounts to about Rs. 187 lakhs and this amount is being gradually wiped out by an annual amortization of one lakh of rupees, the item for which will be found at page 69 of the Yellow Book. The reason, I presume, for this transaction is that the contracts with the Persian Government expire in the year 1945, by which time the lines, which are the property of Government, will revert to the Persian Government. The capital has not, so far as I know, been met from loan funds, but is all capital charged to revenue and for the year 1923-24, *vide* the detailed accounts which will be found at page 69, it will be seen that the capital account stands at a figure of *minus* Rs. 4,15,800. The reason for this *minus* adjustment is that there are certain credits, one for example of Rs. 3,18,000, which is a contribution which is made by the British Treasury. The nett result is that the capital grant this year is a minus quantity.

The Honourable Mr. B. N. Sarma: There is no capital charge to Revenue this year at all. On the other hand, we gain something.

Mr. N. M. Samarth: You ask in the original demand for Rs. 22,24,000. The entry for Capital outlay in India is all right as a minus quantity because in India on account of my motion in 1921 you have separated the capital outlay from the revenue expenditure accounts, but I am talking of the England amount, which is charged to revenue and included in the sum that you ask us to vote.

The Honourable Sir Basil Blackett: Sir, this question is entirely sprung on me so far as I am concerned. The explanation which I have had in common with the House leaves me, I imagine, at least as much mystified as the rest of the House, and I would suggest, if we are really going to

reduce a minus quantity, we shall increase our deficit. I shall be very happy indeed, in consultation with the Honourable Member in charge of the Posts and Telegraph Department, to find out what this sum really is; but I do not think that it would be wise for us in our complete ignorance to increase the deficit by voting for this reduction.

Mr. N. M. Samarth: In view of that, Sir, I do not press my motion.

The motion was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

"That a sum not exceeding Rs. 22,24,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'the Indo-European Telegraph Department'."

Munshi Iswar Saran: Sir, there is an amendment* standing in my name, if you please. I only wish to obtain a little information. We know that on account of this Indo-European Telegraph Department, since 1913-14, we have made a profit of over £808,000 without the Indo-European Telegraph Department having been in operation at all. During the War it has not been in operation, but according to a certain working arrangement we have received this profit. There is a slight suggestion made by the Incheape Committee that, if possible, this should be sold off. From the report we find that Mr. Purshotamdas Thakurdas raised his voice against this suggestion. I wish to know whether, if this sale is intended, this House will be consulted before the transaction is completed.

The Honourable Mr. B. N. Sarma: This is a question which has to be considered and which is being considered from more aspects than one. We shall have to surrender this property under certain conditions. The agreement entered into with the Persian Government terminates at the end of a definite period and we felt that it was desirable that we should reduce our commitments outside India as far as possible; so there was a suggestion made that if we could get back our capital without any loss whatsoever, it may be desirable to part with this property and to utilise the capital in other directions. But it is only a suggestion that has been made and nothing has come out of it so far. But I am sure the Government, if the House so wishes, would consult their wishes before they carry out negotiations any further.

Munshi Iswar Saran: I do not wish to move the amendment, Sir.

Mr. Sambanda Mudaliar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadian Rural): I only want, Sir, to get some information with regard to the Resolution† that stands in my name (No. 227), in regard to two points. At page 122 of the minute of dissent of the Honourable Mr. Purshotamdas Thakurdas, it will be seen that the headquarters of the department are in London under the control of the Secretary of State, and the suggestion is made as to why it should not be transferred to Delhi. I want to know whether any steps have been taken to comply with this suggestion of Mr. Purshotamdas Thakurdas. That is my first point. The

* "That the demand under the head 'Indo-European Telegraph Department' be reduced by Re. 1."

† "That the demand under the head 'Indo-European Telegraph Department' be reduced by Rs. 100."

[Mr. Sambanda Mudaliar.]

second point is this, namely, that he states in paragraph 5 of his minute of dissent that he has not been able to understand the reasons why the Indian Posts and Telegraph Department should have taken over the Meshed-Seistan-Duzdap line, entailing a cost of upkeep amounting to Rs. 1,12,000 in 1921-22 and Rs. 1,22,000 in 1922-23. He further says: "A complete examination of the liabilities which are at present incurred by the Government of India in connection with this Department, and particularly in connection with the Meshed-Seistan line and the Wireless stations in Persia appears to be necessary." If this suggestion is good, I desire to know whether the Government of India have taken any steps in view to comply with it. If really it is taken over in Imperial interests, then is it not desirable that the Imperial Government should give the whole cost or at least contribute a moiety of the amount?

The Honourable Mr. B. N. Sarma: With regard to the first point, Sir, it was a suggestion made by the Government of India to the Secretary of State that this control might be transferred from the Secretary of State to the High Commissioner and the matter is being pursued; no definite decision has been come to. With regard to the second question, we shall have to take the system as a whole and we cannot say that we will have only the profitable part. We do mean, however, having regard to the observations made in the Retrenchment Committee Report, to pursue the suggestion made there and ascertain as to whether the recommendation made is feasible and certainly we will see that the Government of India is not unnecessarily charged with any liability which it can avoid.

Sir Montagu Webb: Sir, the Incheape Committee for certain Departments have recommended that a Financial Adviser should be appointed to assist the department concerned, and I would seriously suggest that a Financial or Accounts Adviser be appointed for the Indo-European Telegraph Department. Most of the payments,—past, present and future—are minus figures, and I confess that after giving a good deal of attention to the Indo-European Telegraph accounts, I cannot make head or tail of them!

Mr. President: The question is:

"That a sum not exceeding Rs. 22,24,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'The Indo-European Telegraph Department'."

The motion was adopted.

EXTENSION OF TIME FOR DISCUSSION ON DEMANDS.

Rao Bahadur T. Rangachariar: Sir, may I say one word? In view of the peculiar conditions of this year arising out of the Incheape Committee's recommendations, you will have noticed that many Honourable Members had suggestions to make during the demands. I do not know whether, Sir, it is not possible for the Honourable Finance Member or for the Leader of the House to obtain from His Excellency the Governor-General two more days for these demands.

The Honourable Sir Basil Blackett: I am afraid, Sir, that in view of the state of the business of the House at the present moment that suggestion is one which is obviously beyond the capacity of the Government

to grant. The time at our disposal next week and the week after is very limited; we have a good deal of financial business to get through before the 1st of April, and there are a certain number of other questions all of which also have to be cleared up before the end of the session. In the circumstances of the day, therefore, I think it would be obviously impossible that we should give any more time than the six full days which have been given this year. I should be very glad to inquire from the Leader of the House whether he disagrees.

The Assembly then adjourned till Eleven of the Clock, on Saturday, the 17th March, 1923.

LEGISLATIVE ASSEMBLY.

Saturday, 17th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

RAILWAY SERVICE.

570. ***M. K. Reddi Garu:** 1. (a) With reference to the reply given to starred question No. 466, will Government be pleased to state the definition of " Railway Service " ?

(b) Do the staff employed on ordinary Secretariat work in the Railway Department and the Office of the Accountant General, Railways, fall under the category of " Railway Service " ?

(c) Is there any difference in the condition of service between the Ministerial Staff of the Railway Department and other departments of the Government of India? If so, what are the differences?

(d) Is it not a fact that for the matter of pay, allowances and conditions of service the staff of all Departments of the Government of India Secretariat are considered as a homogeneous body? If so, how is it that the staff of the Railway Department are treated differently?

2. Will the Chief Commissioner of Railways be pleased to lay on the table a copy of the orders of the Government of India declaring the service of the Ministerial Staff of the Railway Department as " Railway Service " quite distinct from " Secretariat Service " ?

3. Is the Office of the Accountant General, Railways, a part of the Railway Department or of the Finance Department? If the latter, how are the staff employed therein treated as belonging to " Railway Service " ?

Mr. C. D. M. Hindley: 1. (a) Railway service is ordinarily held to mean employment on railways and in the offices administering railways.

(b) Yes.

(c) There are no material differences.

(d) Yes. The justification in respect to passes is explained in (g) of reply to question No. 446 on 5th March 1923.

2. There is no such order, nor in view of the reply to Part 1 (a) of the question any necessity for it.

3. The Accountant General, Railways' Office like other offices of auditors attached to State Railways perform dual functions concerning both the Finance and the Railway Departments.

M. K. Reddi Garu: How many first and second class tickets by way of these concessions were issued and what is the money value of the tickets so issued?

Mr. C. D. M. Hindley: I must have notice of that question but I think a similar question has already been asked.

GRANT OF PASSES CONSIDERED IN FIXING SALARY.

571. ***M. K. Reddi Garu:** (a) With reference to the reply given by Mr. Hindley to part (d) of Sir Deva Prasad Sarvadhikary's starred question No. 446 stating that the additional emoluments received by the Staff of the Railway Department in the shape of passes and P. T. O.'s were taken in account in fixing their salary, will the Finance Member kindly state why it was considered necessary to place them in a better financial position than the staff in other Departments of the Government of India?

(b) Is the Government aware that men belonging to other Departments of the Government of India are willing to get their services transferred to the Railway Department if possible on a reduced scale of pay provided the free Railway passes continue?

(c) Do Government propose to take steps to remove this disparity?

Mr. C. D. M. Hindley: I have been asked to reply to this question.

(a) The grant of passes at the discretion of Railways concerned is an incident of railway service. The trifling monetary value of this concession does not justify differentiation in scales of pay.

(b) No.

(c) In view of (a) above, this question does not arise.

Sir Deva Prasad Sarvadhikary: What is considered to be railway service in this connection? Is service with the Railway Board railway service for these purposes?

Mr. C. D. M. Hindley: Perhaps the Honourable Member did not hear the first part of my reply to the first question which I will repeat:

" Railway service is ordinarily held to mean employment on railways and in the offices administering railways."

UNSTARRED QUESTIONS AND ANSWERS.

SELECTION GRADE POST OFFICES IN THE BENGAL AND ASSAM CIRCLE.

236. **Rai T. P. Mukherjee Bahadur:** (a) Will the Government be pleased to state why important urban municipal towns and former head Post offices such as Dum-Dum, Naihati, Kanchrapara, Ranaghat, Katwa, Serampore, Kushtia, Rampurhat, Kharagpur have not been taken in the group of selection grade Post offices in the Bengal and Assam circle?

(b) Do the Government propose to enlist them in place of the following unimportant stations, *viz.*, Habibganj, Karimganj, Bhairab, Jhalakati, Patuakhali, Jamalpur and Feni?

Colonel Sir Sydney Crookshank: (a) and (b) The list of selection grade appointments sanctioned for the subordinate Postal service on the recommendations of the Postal Committee, 1920, included such appointments as could properly be classified as supervisory or were otherwise sufficiently important to be placed on higher rates of pay than the time-scales provided for officials performing the ordinary clerical work of the Post Office. The question whether any alterations are necessary in respect of the list of selection grade appointments in the Bengal and Assam Circle is under examination.

POST OFFICE AT NARAYANGANJ.

237. **Rai T. P. Mukherjee Bahadur:** Will the Government be pleased to state (a) the extra expenditure required to meet the cost of a 2nd head office at Narayanganj and (b) another Superintendent of Post Offices for Narayanganj Division, (c) under what circumstances was such expenditure sanctioned by the Government of India? (d) Were not head offices in sub-divisional towns abolished under some principle? (e) Will the Director General kindly explain the altered circumstances which justified him to advise the Government of India for deviation from that principle?

Colonel Sir Sydney Crookshank: (a) Rs. 134 a month.

(b) Rs. 97 a month in the office establishment of the Superintendent. No new appointment of Superintendent was created; an existing appointment was transferred from the reserve to the administrative staff.

(c) Owing to urgent administrative necessity.

(d) The general principle ordinarily followed is to have a head post office for each revenue district, but occasionally it becomes necessary to depart from that principle in the interests of administrative convenience. The question of reducing the Narayanganj head post office to the status of a sub-office and of abolishing the Narayanganj Postal Division, as a measure of retrenchment, is however under consideration.

(e) The number of offices under the Dacca Head Office was very large and it was becoming increasingly difficult to exercise an effective control over them. There was also congestion of work in the Dacca office itself. It was further reported that the European and Indian residents as well as the Chamber of Commerce at Narayanganj desired that the status of the office should be raised to that of a Head Office.

EXPENDITURE INCURRED FOR THE INCHEAPE COMMITTEE.

238. **Rai T. P. Mukherjee Bahadur:** Will the Government be pleased to state the amount of expenditure incurred for the Incheape Committee and lay on the table a statement showing the details on each head?

The Honourable Sir Basil Blackett: A statement is laid on the Table giving the information asked for.

Statement showing details of the expenses incurred or likely to be incurred up to 31st March 1923, in connection with the appointment of the Luckhoo Committee.

SUMMARY OF THE EXPENSES.

	Rs.
(1) Retrenchment Office	45,108
(2) Special Officer, Finance Department (Ordinary Branch)	31,151
(3) Finance Department (Military Branch)	15,000
(4) Military Estimates	19,000
(5) Retrenchment Committee proper	85,442
Total	1,95,701

Expenditure incurred in connection with the preliminary work of the Committee (i.e., Retrenchment Office).

	Rs.	A.	P.	Rs.	A.	P.
Pay of Secretary to the Government of India, Retrenchment Office, from 6th July 1922 to 31st March 1923, at Rs. 4,000 per mensem			35,355	0	0

Establishment.

1 Stenographer from 3rd July 1922 to 19th January 1923 at Rs. 306 a month and from 20th January 1923 to 31st March 1923 at Rs. 315 per mensem	2,755	12	0
1 Assistant and Cashier from 7th July to 30th September 1922 at Rs. 125 a month and from 1st October 1922 to 31st March 1923 at Rs. 175 per mensem	1,400	13	0
1 Typist from 15th November 1922 to 28th February 1923 at Rs. 80 a month	252	11	0
4 Peons (plus 1 engaged from 7th September 1922 to 31st December 1922)	653	5	0
	5,002	9	0

Allowances.

Travelling allowance from Delhi to Bombay and back	1,224	0	0
" " Simla to Delhi	790	0	0
" " Delhi to Lahore and back	341	0	0
Other allowances	399	0	0
	2,757	0	0

Contingencies.

Service Stamps	279	0	0
Telephone charges	375	0	0
Other charges	1,250	0	0
	1,904	0	0
Total	45,108	9	0

(Special Officer in the Finance Department (Ordinary Branch)).

Pay of the special Officer in the Finance Department at Rs. 2,270 from 22nd May to 19th October and at Rs. 2,350 from 20th October to 31st March 1923	Rs.
	24,686

	<i>Establishment.</i>	Rs.	Rs.
1 Assistant from July to October 1922		1,122	
2 Stenographers (1 from 15th June to 30th November 1922 at Rs. 175 per mensem. from 1st December 1922 to 28th February 1923 at Rs. 200 per mensem and for March 1923 at Rs. 175 per mensem, and 1 from 5th September to 24th October 1922 at Rs. 175 per mensem)		2,030	
1 Clerk for October		156	
2 Typists		449	
2 Peons		353	
			4,110

Allowances.

Travelling allowance from Simla to Delhi:—		
(i) Officer on Special Duty		205
(ii) Office establishment		836
Simla House Rent		540
Separation allowance		300
Grain Compensation allowance		12
		1,953

Contingencies.

Stationery and Printing		250
Carriage of Records		132
Postage and telegrams		20
Other Charges		50
		452
Total	...	31,151

Finance Department (Military Branch).

Expenditure due to appointment of additional Financial Adviser, while Mr. Mitra was engaged on preparation of case for Committee	...	15,000
Total	...	15,000

Military Estimates.

Additional cost incurred in connection with special duty of Major General Charles and Colonel Wigram	...	19,000
Total	...	19,000

Retrenchment Committee proper.

1.—Subsistence allowance at Rs. 1,500 a month—

	Rs.
1. Sir Thomas Catto (did not draw any allowance).	
2. Sir Alexander Murray from 8th November 1922 to 2nd March 1923.	5,747
3. Sir R. N. Mookerjee from 9th November 1922 to 24th February 1923.	5,385
4. Honourable Mr. Purshotandas Thakurdas from 5th November 1922 to 31st March 1923.	5,945
5. Mr. D. M. Dalal from 5th November 1922 to 16th March 1923.	6,575
6. Mr. J. Milne from 5th November 1922 to 16th March 1923.	6,575
7. Mr. H. F. Howard from 5th November 1922 to 16th March 1923.	6,575
8. Salary of Colonel J. C. Harding-Newman from 12th November 1922 to 15th February 1923 (pay at Rs. 2,200 plus special pay at Rs. 10 per diem).	7,983
	44,735

I.—Subsistence allowance—contd.

	Rs.	Rs.
Subsistence allowance to Messrs. Dalal, Milne and Howard during the period of voyage to India and back (one month) at £100 a month.	4,500	
Salary of Mr. J. Milne to be re-imbursed by the India Office to Great Western Railway from 15th October 1922 to 31st March 1923 at £1,750 per annum.	12,080	
	—	16,580

II. — Travelling allowance—

(a) Three first class passages from England to India and back for Messrs. Dalal, Howard and Milne at £78-10-0 each.	7,086	
(b) One single first class fare each from Bombay to Delhi to Messrs. Dalal, Purshotamdas Thakurdas, Milne and Howard who travelled by Special Train.	430	
(c) Double first class fare to Messrs. Dalal, Purshotamdas Thakurdas, Milne and Howard from Delhi to Bombay.	860	
(d) Double first class fare to Sir Alexander Murray and Sir R. N. Mookerjee from Calcutta to Delhi and back.	840	
(e) Haulage of Motor-cars of the President and Members of the Committee from Bombay and Calcutta to Delhi and back.	2,605	
(f) Double first class fare to Colonel J. C. Harding-Newman from Delhi to Karachi (from Karachi to Delhi he travelled on military warrant).	189	
	—	11,911

III.—Office establishment from 27th October 1922 to 31st March 1923—

(a) Ministerial establishment—		
1 Superintendent at Rs. 400.	}	
1 Assistant and Cashier at Rs. 200.		
1 General Clerk at Rs. 125.		
4 Typists at Rs. 120 each.		
2 Typists at Rs. 100 each.		7,836
(b) Menial establishment—		
1 Puffry at Rs. 24		
1 Jamadar for President at Rs. 25.		
1 Dafadar for Secretary at Rs. 20.		
15 Peons at Rs. 16 per mensem each.		
(c) Travelling allowance of Superintendent to and from Bombay.	189	
(d) Grant of bonus to the ministerial establishment	926	
	—	8,751

IV.—Contingencies

Service Stamp	120	
Telephone Charges	1,300	
Liveries, etc.	615	
Stationery and Printing	600	
Furniture	800	
Other charges	1,000	
		4,435

TOTAL 86,442

(Note A. No expenses have been incurred in connection with witnesses except travelling allowance to officers of Government under the ordinary rules.)

(Note B. The figures are not final.)

THE BUDGET—LIST OF DEMANDS.

SECOND STAGE—*contd.*

DEMAND No. 7—FORESTS.

Mr. J. Hullah (Revenue and Agriculture Secretary): Sir, I beg to move:

"That a sum not exceeding Rs. 9,28,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Forests'."

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): Sir, here as elsewhere I am scrupulously avoiding saying anything beyond the recommendations of the Inchcape Committee, and I am trying, as far as possible, to confine the question to the existing recommendation for retrenchment. As the motion standing in my name shows, it is under the head Allowances and Honoraria and Supplies and Services that I ask for comparatively small reductions within the limits of the Inchcape Committee's recommendations, so that the objective that we all have may be reached. I do not think I can put my case any higher than that. I recognise that Allowances and Honoraria and Supplies and Services are all necessary, but, having regard to the exigencies of the times, I want to have them reduced as far as possible. Undoubtedly some reduction has already been made but we believe that further reduction is possible; in the absence of details under those heads, it is not possible to indicate exactly which of the items should go out in the lump deductions indicated in the demand asked for.

Mr. President: Is the Honourable Member moving 122?

Sir Deva Prasad Sarvadhikary: And 123.* My remarks will apply to both. I do not want to make two speeches. But the two proposals may be put separately.

* **Mr. President.** The question is:

"That the provision for Allowances and Honoraria under the head 'Forests' be reduced by Rs. 15,000."

Mr. J. Hullah: Sir, a reduction has already been made, as Sir Deva Prasad Sarvadhikary admits, and I cannot say that any further reduction is possible. We are working down, as far as possible, to the recommendations of the Retrenchment Committee and the matter of allowances and contingencies will, of course, receive our attention. The allowances are for travelling allowance to officers on tour and to the establishment and a large part of the travelling allowance is spent by the Inspector General of Forests whose tours are extensive and to distant places including the Andamans and Coorg which are two of the Forest properties under the Government of India. The other allowances are, for the most part, house rent to the office establishment at Simla, separation allowance for clerks at Delhi who leave their families in their villages, local allowance to menials at Simla and Delhi and house rent to clerks at Delhi who are not provided with quarters. Beyond an assurance that we shall do our best to cut down these allowances as well as everything else in accordance with the recommendations of the Retrenchment Committee, I cannot say definitely

* "123. That the provision for Supplies and Services under the head 'Forests' be reduced by Rs. 1 lakh."

[Mr. J. Hullah.]

whether there is scope for reduction or what amount of reduction we may be able to make.

Sir Deva Prasad Sarvadhikary: Miscellaneous charges Rs. 2,18,000.

Mr. J. Hullah: I am sorry, I did not know that was included in the Honourable Member's motion.

Sir Deva Prasad Sarvadhikary: That is under Supplies and Services.

Mr. J. Hullah: I see. The figure is on account of the expenses of the economic branch of the Research Institute. The new buildings for that branch are just approaching completion and the plant for installation is lying at Dehra Dun and will now be placed inside these buildings. We have almost completed our staff of research experts in the economic branch and they will now be able to get to work properly with the new plant which has already arrived. The miscellaneous charges are mainly in connection with the material on which they will work. It would take me, I am afraid, about half an hour to read out the various details included in this sum of Rs. 2,18,000. But I may say that of the reduction of Rs. 55,000 shown under votable items, Rs. 50,000 is on account of deduction from this particular figure, so that the amount granted to the Research Institute for these miscellaneous supplies will not be Rs. 2,18,000 but Rs. 50,000 smaller than that figure. In short, we have already made a reduction of Rs. 50,000.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadian): Sir, may I in this connection inquire what is the meaning of the statement in the revised statement prepared by the Finance Department "The reduction of Rs. 96,000 is effected by not filling up two appointments and by reduction in miscellaneous expenditure at the Research Institute. What I want to know, Sir, is how far the Research Institute will be affected by the proposed reduction of Rs. 96,000 and what are the two appointments brought under reduction in consequence of this revision.

Mr. J. Hullah: The two appointments are those of the Forest Botanist, non-votable, for whom a Budget provision of Rs. 25,800 was originally made, and the Systematic Entomologist for whom a Budget provision of Rs. 15,380 was made. In addition there is the Rs. 50,000 reduction which I have just mentioned, and a reduction of Rs. 5,000 on account of passages of Indian probationers to England. The total of these items is Rs. 96,000, of which Rs. 91,000 will be a retrenchment on the Dehra Dun Research Institute.

Sir Deva Prasad Sarvadhikary: I do not wish to press the motion. I fully accept Mr. Hullah's explanation. I fully believe in the future of this institution and do not desire to press this.

The motion* was, by leave of the Assembly, withdrawn.

Sir Deva Prasad Sarvadhikary: The same observation applies to my motion† No. 123 also.

The motion was, by leave of the Assembly, withdrawn.

* "That the provision for Allowances and Honoraria under the head 'Forests' (page 27) be reduced by Rs. 15,000."

† "That the provision for Supplies and Services under the head "Forests" (page 27) be reduced by Rs. 1 lakh."

Rai Sahib Lakshmi Narayan Lal (Bihar and Orissa: Nominated Non-Official): Sir, I move:

“That the demand under the head ‘Forests’ be reduced by Rs. 43,800.”

The Budget estimate of this year is in excess of the Budget estimate of last year by Rs. 2,55,000 taking both the votable and non-votable items into consideration and the excess is Rs. 2,42,000 taking only the votable items into consideration. The Retrenchment Committee has recommended a reduction of Rs. 6,90,000 of which Rs. 86,000 is under the head Forest Research Institute and the rest is on expenditure in England. After this recommendation a reduction of Rs. 55,000 has been made. But I ask for a further reduction under this amendment. Sir, it is very much encouraging to learn from the report of the Retrenchment Committee, that all the officers who have appeared before it were very earnest for reduction in the expenditure, and I hope that if they will try to economise, they will be able to further reduce the expenditure to the extent asked for under this amendment. There is one matter, Sir, to which I want to draw attention under this head. Although we have been informed that there has been a reduction of Rs. 55,000 under votable items, we have not been as yet informed whether there has been any reduction on the non-votable items. Though I am quite alive to the fact that we have no right to vote regarding non-votable items, yet we have a right to know whether the reduction recommended by the Committee has been accepted or not. Day after to-morrow we are going to sit to consider the Finance Bill and before we do that we are entitled to know whether the reduction recommended by the Committee for the non-votable items also have been accepted by the Government or not. I move my amendment.

Mr. J. Hullah: Sir, if the Honourable Member thinks that, whereas the Retrenchment Committee has recommended a reduction of more than Rs. 6 lakhs under the head Forests, we have made a reduction of only Rs. 55,000, he is very greatly mistaken. The Incheape Committee in dealing with Forests did not take the Demand, Forests as it appears in this volume, but the Budget head Forests, which includes not only the headquarters charges and the Dehra Dun Institute but also all the expenditure in the minor administrations such as the Andamans, Coorg, the North-West Frontier Province and two or three other places where forests are of less importance. The total Budget under Forests is Rs. 47 lakhs while the Incheape Committee figure is Rs. 45.55 lakhs. We had therefore already come very nearly down to the Incheape Committee figure. But we have made a further cut of Rs. 96,000, so the total expenditure on forests will be Rs. 46,10,000. We are thus only Rs. 55,000 short of the recommendations of the Incheape Committee. The Honourable Member also said that the Assembly was entitled to know whether any reduction had been made in the non-votable head. I have just explained that provision for two officers has been cut out, the Forest Botanist and one of the Entomologists. The reduction on account of these two officers is Rs. 41,000.

Rai Sahib Lakshmi Narayan Lal: Sir, I do not press my amendment.

The motion was, by leave of the Assembly, withdrawn.

Mr. B. Venkatapatiraju (Ganjam cum Vizagapatam: Non-Muhammadan Rural): Sir, I move:

“That the Demand under the head ‘Forests’ (page 27) be reduced by Rs. 100.”

[Mr. B. Venkatapatiraju.]

I make this motion in order to raise a question. A provision was made for the Dehra Dun Imperial Research Institute. We find, Sir, that the decision arrived at by this Assembly was not given proper effect to in this wise:- Firstly, it was sanctioned long ago by the Secretary of State that we must have facilities provided for the Imperial forest recruitment in India with the approval of the Government of India; but later on the Government of India changed their mind. Eventually the Honourable Mr. Hullah on behalf of Government introduced a Resolution in this Assembly that we should go back upon the decision of the Government of India as well as the Secretary of State to provide a fully equipped institute in Dehra Dun. But after mature consideration this Assembly decided that we should still stick to the old decision arrived at by the Secretary of State and the Government of India. We insisted that as soon as possible it should be done, but that in the interval the old system might continue. Now I find that nothing has been done to show that any attempt is made to secure at an early date a fully equipped institute for training our Imperial recruits for Forest service. Fortunately, there is no difficulty for we find that the present Institute is fully equipped. We have got about 35 officers, about 25 of whom are persons imported from England who must be highly qualified experts because we are paying them good salaries. Therefore nobody need say that we have not got a fully equipped Institute. Where was the difficulty of training Indians here for that Service. Long ago, the Public Services Commission stated that we should have a fully equipped institute in India. Not only that. They went further and said that there should be no limit placed on the number of officers to be recruited in India for the Imperial Service. They also added that there is no policy underlying it because this Forest Service has nothing to do either with Imperial connections or with the British supremacy.

Therefore, when there is no policy underlying it, it is purely a matter of employing our own men to do forest service. The first complaint is that in the Research Institute you have not appointed any Indian. Out of 25 officers of the Imperial cadre there is not a single Indian. You only find one assistant who is employed in research. Why they have failed to employ additional assistants in order to do research work I do not understand. What was the difficulty felt to secure Indian recruits to be trained in India, instead of sending them to England for the Imperial Forest Service, whatever be the difficulties of securing the attendance of British recruits here. After all, this is not absolutely necessary though at the present moment we are recruiting only 40 per cent. here and 60 per cent. in England. The other day the Honourable Mr. Hullah stated that there was no objection to recruiting the 100 per cent. of Indians. What is the use of these pious statements when they are not put into practice? There is not much change whether the portfolio is in the hands of an Indian Member or an English Member because under both we find the same difficulty and there are no additional Indians employed in the Imperial cadre and no attempts are being made to train Indians here. Therefore I submit that it is unfair that the opinion of this Assembly should be brushed aside in this manner. Even the Retrenchment Committee suggested that so far as the training is concerned, it is desirable that it should be extended. But what they said is "You need not indulge in having costly constructions which cost 125 lakhs." That may be or may not be. After all, these may be uneconomical economies. But for educational purposes any amount spent is absolutely necessary and a proper investment; whether it be in Dehra

Dun or at Delhi it is absolutely necessary that we should have fair educational facilities in India. This Assembly, at least on the non-official side, will not agree to any unnecessary reduction in the matter of national development purposes, and therefore we insist that something must be done in order to give full effect to the pledges given from time to time and to the assurances given that they are Indianising the Forest Service which is a matter in which they admit there is no policy underlying it.

The Honourable Mr. B. N. Sarma (Revenue and Agriculture Member): I shall not at this stage enter into a discussion as regards the Resolution which this House and the Council of State have passed regarding the future training of Europeans and Indians in India at the Dehra Dun Institute. But I shall place before the House some of the difficulties in the way of the Government's arriving at any definite conclusion on that point till now. The Department of Revenue and Agriculture has until very recently been in some doubt as to whether the Dehra Dun Forest Research Institute would continue to be a living Institute or would be abolished or so seriously retrenched as to be practically infructuous for the purposes for which it was intended. In view of the present financial stringency an opinion has been entertained in some quarters that it would be unwise to embark upon this kind of expenditure and that it would be for the Provincial Governments to take up research in the various provinces because most of the forests are located in the provinces. An alternative suggestion has been made that if the Government of India are to find funds for this Forest Research Institute they should be to a very great extent reimbursed by contributions from the provinces and the decision of the Government of India could not be definitely ascertained by the Department until they knew what the Retrenchment Committee had to say upon the subject. The Department felt that it would be wrong on their part to deal with the question until the Retrenchment Committee had reported upon it. Now, that the Retrenchment Committee has recommended that the Forest Research Institute should continue to function substantially as ~~hitherto~~ except perhaps with regard to certain departments of research about which they entertained doubts—now that the Retrenchment Committee have recommended that the educational activities of this Institute should not be hampered, the Department are in a position to take up the question as to how far they would be able to give effect to the recommendations of this House in the matter of education for training for the Imperial Service. But there is no use disguising from myself or from the House the fact that to give full effect to the Resolution may be difficult inasmuch as our Public Works expenditure has been asked to be curtailed by the Retrenchment Committee, and apart from any recommendations which have been made by the Retrenchment Committee it would be unreasonable for the Department to ask the Government of India to embark upon a heavy expenditure on buildings at present. The Incheape Committee has recommended that no further buildings should be taken on hand and that the expenditure should be limited to the commitments already made. We have been obliged therefore to reduce our expenditure on the Dehra Dun Institute to Rs. 8 lakhs which sum has been provided in order to carry out the works which had been undertaken for housing the Economic Section. The Department and the Government of India have therefore to ascertain as to whether it would be possible with the limited space at Dehra Dun Institute to find quarters for all the students and for the various classes in case the educational activities of the Research Institute are to be enlarged on the scale recommended. But this much I may assure the

[Mr. B. N. Sarma.]

House that the Government of India hope to give effect to that recommendation to the largest extent possible and to start training at as early a date as may be practicable so as to make a beginning with the limited funds at their disposal. We do not want to put off indefinitely on account of want of funds, if it be found practicable, to undertake the training of Indians for the Imperial Service in India. I am as keen as any Honourable Member to push on the good work and you may rest assured that it is not for want of will on the part of the Government of India that this has been held up hitherto, but it is because there are so many practical difficulties which we have to surmount before the scheme materialises and becomes an accomplished fact. Honourable Members will themselves notice that in the Resolution which they have passed they have suggested that the present arrangement should continue until the Research Institute can be brought up to that stage at which it would be possible to undertake the training of both Europeans and Indians in India. I am not for a moment saying that the Government of India should not give effect to that recommendation but I am only suggesting that we may have to make a smaller beginning than that in order to carry out the wishes of the Assembly, the Council of State and the Indian people at large. The House will be interested to know that about 56 per cent. of probationers in England at the present moment are Indians. That is due to the fact that in the previous years it was not possible to recruit the proper number of Indians but we find now that the provinces owing to financial embarrassments have asked that the number should be limited as far as possible and that is the reason why in the coming year we have to reduce the number of recruits to 15, 10 of whom would be Europeans and 5 Indians. So from this explanation my Honourable friend will see that the Government of India (and the remark that it makes no difference whether the department is in charge of an Indian or a European is perfectly justifiable) would try to give effect to those recommendations as far as possible and we mean to give early consideration to that Resolution inasmuch as we now find that the Retrenchment Committee has definitely recommended that the educational programme should not be curtailed and that the Research Institute should function as hithertofore, although I for one do not see at present whether we shall be able to give effect to the recommendations for curtailing some of the branches of research activity in the manner suggested in that report. I do not think I should be justified in taking up further the time of the House at this stage.

Sir Deva Prasad Sarvadhikary: I desire to say just one word in support of the point of view put forward by Mr. Raju and at the same time to put in a very strong protest against abandonment of the Research Institute. We are prepared to accept the recommendations of the Incheape Committee with regard to other matters. But in matters like this I am at one with Mr. Innes, although he was wrong on the particular occasion to which I refer. With regard to research, education, sanitation and even archaeology, I am not prepared to accept their recommendations for they are short sighted. The Government would be well advised in reconsidering their decision. We must go on with research as begun, the Forest Department may die but the forests will live and live to redound to the wealth of India if properly handled. Anything that is not done now or omitted for advancing those researches on proper lines and enabling our people to take a high position in forest work will be suicidal.

Mr. B. Venkatapatiraju: I withdraw my motion on the assurance given by Government.

The motion* was, by leave of the Assembly, withdrawn.

Mr. J. Ramayya Pantulu (Godavari *cum* Kistna: Non-Muhammadan Rural): I should like to make a few remarks in regard to the point raised just now

Mr. President: The motion has just been withdrawn by the leave of the Assembly.

Mr. J. Ramayya Pantulu: I want to speak on that portion of the Research Institute which consists of the Institute proper, but not the college.

Mr. President: The Honourable Member can move his motion and then see whether he will keep in order.

Mr. J. Ramayya Pantulu: I beg to move:

"That the demand under the head 'Forests' be reduced by Rs. 100."

I move this motion in order to call the attention of the House and also the attention of the Government to what I consider to be the unsatisfactory condition of the working of that portion of the Research Institute which forms the Research Institute proper, apart from the Forest College. That institute consists of a number of departments which are engaged in making experiments with a view to enhancing the commercial value of our forests. Each of these departments is presided over by a highly paid expert. Most of these experts have been imported from foreign countries, mostly from America and Canada. The work that these experts are expected to do is partly to make experiments and partly to train Indians to make those experiments themselves, so that, in course of time, these Indians might replace the foreign experts. I find, Sir, that although there are as many as six departments attached to the institute not a single Indian has been trained in the work of this department except one in the timber testing department. There is the forest wood technology, the paper pulp department, the timber testing department, the wood seasoning department and the tanning department. To none of these departments except the timber testing department, is an Indian attached, so as to be trained to do the work himself and in due course, to replace the present expert when his term of contract expires. Thus the main part of the work of these experts has been neglected to the detriment of the interests of the country. There is one other matter. In the matter of the timber testing department, we have got an expert on Rs. 1,500 a month and we have got his assistant and I am told that these two gentlemen have not got one-tenth of the work which they can do. I recently paid a short visit to Dehra Dun and the timber testing expert told me that he has got only two machines now with which he is able to make only one thousand tests in the course of a month. The scheme of the work of this department is that every one sort of timber must undergo five thousand tests. Now these two existing machines are able to make only one thousand experiments in the course of a month. So that it takes five months to complete all the experiments on one timber. I am told that we have got about 300 sorts of timber in our forests, so that will take 125 years to test all these timbers. But the same expert told me that he could supervise the work of 20 machines if he had them; but he has only two, and hence there is not really enough work for himself and his assistant and we are simply wasting a large amount of money. The present policy of Government is a mixture

* "That the Demand under the head 'Forests' be reduced by Rs. 100."

[Mr. J. Ramayya Pantulu.]

of parsimony and extravagance. You maintain a highly paid establishment and you do not give it enough work to do because you say you cannot afford to appoint assistants or buy more machines. I do not think, Sir, that that is economy; it is extravagance. If you want to continue that timber testing department you ought to give it a sufficiency of work to do, so that there may be some hope of this part of the work being finished within a reasonable time. It will otherwise take 125 years to complete.

I should like, Sir, to know what the Honourable the Revenue Member is going to do in this matter.

The Honourable Mr. B. N. Sarma: Sir, I do not think I need grudge any criticism which will provide me with more funds for my institute; but Honourable Members will realize that it has been impossible hitherto to find assistants or machines in the absence of accommodation. But we hope to be able to find both during the next year, as the Economic Section is going to be housed appropriately and I do not think the complaints we have heard to-day will be heard any longer. I wish Honourable Members had borne that in mind when they proposed a further curtailment. I am glad they have not proceeded with it. In the demand for supplies and services it was proposed and we have already accepted a cut of Rs. 50,000. But I think the Government of India, in view of the financial stringency, had no alternative but to proceed cautiously and slowly. Now that research work is being appreciated in all departments there is no doubt the Government will do their level best to find full employment for all their experts. We have been reproached for not finding assistants in the technological and other departments; but where we could we have employed assistants who will in due course succeed these experts imported from outside; and we hope to pursue this policy so that these costly agencies may be replaced by an indigenous agency of an efficient character and at a reduced cost.

The motion was, by leave of the Assembly, withdrawn.

Dr. Nand Lal (West Punjab: Non-Muhammadan): I move: “

“That the demand under the head ‘Forests’ be reduced by 5 per cent.”

Sir, as you know, the revenue derived from forests, in the provinces goes to the provinces. There are some forests indeed which are in the possession of and under the control of the Government of India, as for instance, forests in the North-West Frontier Province, Coorg and the Andamans. Sir, as you know, recently a very large sum has been spent on the exploitation of the forests and that expenditure naturally induces me to ask what the result has been, what produce and what stock is available, what revenue has been derived? I confess my inability to lay my hand on any reliable literature pertaining to this point and I think it is necessary to draw the attention of the Honourable Member in charge of this Department to the paucity of literature on this subject. Now, Sir, in considering the expenditure involved in the development of forests, for instance in the North-West Frontier Province, may I invite your attention to page 235 of the report of the Retrenchment Committee. You will feel surprised at what it tells us. The information embodied in the report runs as follows:

“In 1913-14 the expenditure was Rs. 1,31,300, and the revenue which we then derived was Rs. 2,56,000.”

Now, look at the rise so far as expenditure goes in 1921-22. It rose to Rs. 6,77,000

The Honourable Mr. B. N. Sarma: May I suggest, Sir, that the Honourable Member is out of order because he is discussing expenditure in the North-West Frontier Province, whereas the demand is only with regard to forest research. I think the Honourable Member will have an opportunity of discussing the other matter later.

Dr. Nand Lal: Yes, I concede that there is force in that point and I therefore withdraw my amendment.

The motion was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

"That a sum not exceeding Rs. 9,28,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Forests'."

The motion was adopted.

DEMAND No. 6—STAMPS.

The Honourable Mr. C. A. Innes (Commerce and Industries Member): I beg to move, Sir:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Stamps'."

Mr. B. S. Kamat (Bombay Central Division: Non-Muhammadan Rural): Sir, I move:

"That the demand under the head 'Stamps'—including expenditure in England—be reduced to Re. 1."

The point which I wish to raise in connection with the demand for Stamps is about the manufacture of stamps in India. Honourable Members will remember that I raised this point last year. I wanted to know why the Government of India did not manufacture their stamps in this country. I had hoped that the Department concerned would take some steps during the past 12 months, but I am sorry to find that in that period very little seems to have been done, if I may judge by a reply to a question of mine given by the Honourable Mr. Innes recently in this House. In reply to that question about the manufacture of stamps Mr. Innes said—

"No detailed inquiries have so far been instituted by Government in this matter."

Sir, the contract with Messrs. De la Rue and Co. terminates next year and if any firm in India has to undertake this work I fear some time will be necessary for them to instal new machinery.

If Government therefore take no action till then, it is just likely that they may turn round next year and say it is not possible for any firm in India to manufacture stamps at all. I want to know, therefore, whether Government have really taken any serious steps in the matter and whether they have the will to do something. The second point which I wish to ask in this connection is with reference to the administration of Stamps and Stationery Department by the Controller of Stationery and Stamps in Calcutta. Those who have read the report of the Inchcape Committee must have seen that the Controller has not been as vigilant as he ought to have been with reference to a number of matters, chiefly about recoveries. The Calcutta depôt is a distributing depôt for the distribution

[Mr. B. S. Kamat.]

of stamps to Provincial Governments and minor Administrations. I find from the Report of the Incheape Committee that the Controller of Stamps and Stationery has not recovered from the Provincial Governments even the cost of stamps supplied for instance to Bengal or the cost of even plain paper supplied to some other Provincial Governments. He has neither recovered for the Central Government the loss in exchange and in some cases not even the cost of transit to Provincial Governments. It seems rather curious that this Controller is not looking after his accounts and recoveries which he should have made. I should like to know, therefore, what action has been taken to see that recoveries are properly made and the expenditure of the Stamps Department is not unduly inflated.

The Honourable Mr. O. A. Innes: Sir, I will first take up the question of the manufacture of stamps in India. I think the House ought to realise that this question of the manufacture of stamps in India is a very difficult question. If we hand it over to a private firm, only one firm can be entrusted with the work. There is no firm in India which is at present printing stamps at all. It is a very difficult and a very technical matter. There are special difficulties in India and the House will realise that when the firm is first undertaking this printing, we may run the gravest possible risk of a breakdown. That is the reason why the Government of India have proceeded cautiously in this matter. It is not correct to say that we have done nothing in the matter. On the contrary we have sent Home, or rather Colonel Willis of the Mint Department has been sent Home to investigate the question of printing notes in India, and we took advantage of his presence at Home to ask him to investigate the question of printing stamps in India with reference to any special difficulties which there might be owing to climatic and other reasons, and we associated with Colonel Willis Mr. Ascoli who had been on special duty for a considerable time in the Printing and Stationery Department to investigate all the activities of that department with a view to economy. Colonel Willis did not get Home till, I think, November or December last, but I arranged that they should send us a cable just before the Budget debate in order that we might know what progress they had made in their investigations, and I have received that cable. They have arrived at the conclusion in regard to technical difficulties that no very material difficulties exist. But they go on to say that at the commencement very considerable non-productive expenditure must be faced during the experimental period. They express doubts whether it would be wise to entrust the manufacture to any private firm which has not hitherto printed stamps as the process requires very different qualifications from ordinary printing, and it will necessitate a long term contract to cover heavy material charges and involves risk of breakdown with disastrous consequences. They go on to say that if Government undertakes the work, an experimental press should be started this year. To test gums, inks and paper and to ensure proper registration and impression after the existing contract expires it will be necessary to import machinery and materials. They add that a preliminary report is being despatched so as to reach us, if possible, by the end of March and they will follow it up by more detailed proposals. As soon as those proposals arrive, I will place them before the departmental Committee of the Commerce Department in order that the whole matter may be investigated. It will require, of course, very considerable preparatory work before either Government or the private firm, if we decide on

giving a contract of this kind to a private firm, can really get going with the printing of stamps. That may necessitate some extension of this contract to De La Rue and Co. The existing contract with De La Rue and Co. contains a clause to say that if it is not terminated, it runs on, but can be terminated at any time at six months' notice. That is the exact position as regards the manufacture of stamps in India. One point more I have got to make. The House must remember that many of these stamps are stamps which we supply to Local Governments. We cannot expect Local Governments to indent on us, assuming that we start our own manufacture in India, unless we can show that we can print those stamps as well and as economically as they can be imported. That would not necessarily apply to postage stamps. Colonel Willis and Mr. Ascoli say that so far they find it impossible to give any estimate of the cost. They add that it is improbable that material economies will result during the earlier years.

I now turn to the other question raised by Mr. Kamat, and I may say at once that had Mr. Kamat moved a reduction of one rupee in the Demand for Stamps, I would have been tempted to take that one rupee out of my pocket and place it on the table. For, I must confess that the Inchcape Committee's report has brought to light a bad state of affairs, and the Government of India must accept responsibility for that state of affairs. What happened was of course that the implications of the Reforms Scheme were not realised. Formerly, when we had a combined purse the question of recovery from Local Governments did not arise. When the Reforms Scheme came in and non-judicial stamps were transferred to Local Governments as a provincial source of revenue, it was not realised at first that the recoveries ought to have been made. There was some confusion undoubtedly, want of co-ordination, as the Inchcape Committee put it, between the Controller of Printing and Stationery on the one hand and the Accounts Officers on the other, as also want of co-ordination between the India Office and the Government of India in this matter. What I can say is that this matter was discovered some time ago and instructions have already been issued or are being issued to Local Governments. We have not only to effect recoveries which are in arrears but to make such changes in the system as will prevent a recurrence of maladministration of this kind in the future.

Dr. Nand Lal: Sir, I generally place implicit faith in the correctness of the information which is given by the Honourable Mr. Innes, but
 12 Noon. I am sorry I cannot do so on this occasion. If I understand aright and if my information is correct, we find machinery of this type and work of this kind going on in Hyderabad, Deccan and one or two other States and my informant told me that it proved a great success. Now, when this point is raised, the Honourable Mr. Innes comes forward with this sympathy for the Indian enterprise that if this system of industry is allowed in India, most probably it may prove disastrous. I may say this is left-handed sympathy. My own belief is, and I think this is the opinion of the majority of big printers in India, that if this task is entrusted to them, they will be able to do justice to it. Considering the great amount of expenditure which we incur, we feel forced to offer this suggestion to the Government of India that they may kindly give a trial to Indian printers, and if they do it, they will soon come to know and realise that Indians are fully capable of doing it and Indian soil is quite agreeable to that work.

Dr. H. S. Gour: I had tabled an amendment also:

"That the demand under the head 'Stamps'—including expenditure in England—be reduced by Rs. 100."

I should like to say a few words in connection with that amendment. Last year this question was debated in this House, and the Honourable Mr. Innes, speaking for his Department, passed on to me some daubs of stamps produced by a Native Indian State, and said, "if this is the kind of work which is done in India, would it justify the indigenous printing of stamps." Since then I have collected information. I prepared a very large number of letters and sent them on to different States, and in response to my invitation and to my surprise, I received a very large number of stamps actually manufactured in this country. I showed a great many of them to the Honourable Mr. Innes, and I remember I also passed round that album for the inspection of the House. (*Cries of "Yes" "yes."*) I also received a copy of the Goeble's Automatic Printing Machine catalogue which showed how the whole thing is done by automatic machinery. It is not a question of climate or of gums, but a mere question of investing a sum of money and indenting on Germany for this Goeble's machine, which is used, I believe, in all the countries of Europe and America, and if I mistake not in the State of Hyderabad. The stamps which I showed to the Honourable Members of this House and to the Honourable Mr. Innes were a revelation. They were embossed stamps of the most beautiful type produced by machinery which gives no trouble and which were actually being used in Hyderabad. I asked the Honourable Mr. Innes to look at his picture of the stamps which he showed me and mine of the stamps produced in the country. Now, Sir, after that ocular demonstration, I am surprised that the deputation that went to England to inquire into the possibilities of printing stamps in this country has sent by cable that extremely disappointing report, and I am further disappointed to hear from the lips of the Honourable Mr. Innes that he will first of all try in an experimental measure a small printing press. (*The Honourable Mr. C. A. Innes:* "I did not say that.") He says he did not say that. I stand corrected; that there are insuperable difficulties; (*The Honourable Mr. C. A. Innes:* "I did not say that.") that there are difficulties in the way of starting the printing of stamps in this country. Now, Sir, I ask the Honourable Mr. Innes how have these difficulties been overcome in the Indian States where stamps are actually being printed, and in the adjacent island of Ceylon where beautiful stamps are printed, in Assam and in Japan, which print their own stamps and do not indent on Thomas de la Rue and Company. I say, Sir, that even if it cost a little more, the Honourable Mr. Innes could not have forgotten his own Resolution, moved the other day in this House, on the question of free trade and protection. Speaking on that subject, the Honourable Mr. Innes said that the policy of the Government of India is to foster indigenous industries. Now printing is an indigenous industry. It requires development, and unless you take some risks, how are you going to develop the printing of stamps in this country? Honourable Members will find, if they turn to the Demand book, that we buy from Thomas de la Rue and Company stamps to the value of half a crore of rupees per annum, and we have to keep in addition a costly establishment for the storage and distribution of these stamps. I therefore submit, Sir, that, if you put all the costs together, it certainly would not come to much more than you would spend upon the local printing of stamps. And even if in the commencement the stamps are not produced as well as they are done by

the firm overseas, I am sure that the Members of this House will overlook these small defects which are compatible with small beginnings, provided the industry receives a stimulus which it deserves at the hands of the Government and the printing presses in this country are encouraged to invest in the machinery which is necessary for the purpose of doing work of this character. I have in my possession information from several firms in this country who are prepared to take contracts and run all the risk that is necessary in the printing of these stamps, and they are firms who have been doing work with credit for the Government for a number of years. I ask, Sir, why should not these presses be employed for the production of stamps in this country? Then, Sir, it has been said by the Honourable Mr. Innes that it is possible that Messrs. Thomas de la Rue's contract might be extended. Let me in this connection draw the attention of the House to what the Inchcape Committee themselves recommend in this connection. On page 231 they say: "There would appear to be many advantages in getting post cards at any rate printed in India." They are in favour of the printing of stamps and post cards in the country, and they say that, at any rate, let the post cards be printed in this country; not that the stamps should not be printed in this country also. And they point out that it would be economical if a beginning is made with the printing of stamps in this country. I submit, Sir, that this House should speak with no uncertain voice on this great subject of developing one of the rising industries of this country, namely, developing the printing press in India. And we can never develop these presses unless the Government extend to them their patronage. They have the right to expect it; we have the right to demand it, and I think it is up to the Government to respond to the call made upon it and see that, instead of following the policy of *laissez-faire* the Government also feel with the House that, whether risks are taken or not, one supreme effort shall be made for the purpose of printing stamps in this country. I hope, Sir, that the Honourable Mr. Innes will revise his words and his thoughts and give this House a more re-assuring message that he will accede to the unanimous wish—I think it is a unanimous wish on this side of the House—that stamps should be manufactured in this country at the earliest opportunity, and that we cannot tolerate the extension of Messrs. Thomas de la Rue's contract at enhanced or unenhanced rates.

I move my amendment.

Mr. Darcy Lindsay (Bengal: European): Sir, I should like to ask the Honourable Mr. Innes whether any suggestion has been made to the present contractors, Messrs. de la Rue and Company, to establish a factory in India for the manufacture of stamps. They are a very old firm in this class of business and entirely to be trusted in the manufacture and distribution of stamps, and I think that is one of the points that weighs very strongly with the Honourable Member. That stamps can be made in this country I, for one, am satisfied, both as regards quality and price. We have had stamps made in Calcutta for an Indian State by Messrs. Thacker Spink and Company that I think are equal to any stamp manufactured by Messrs. de la Rue and Company. (*Dr. H. S. Gour*: "I showed those stamps to the Honourable Mr. Innes.")

Another point, Sir, of extreme importance to India is the money that would be saved in carrying much smaller stocks. I believe I am correct in the statement that the Post Office alone carries at least a two years' supply, and I believe their stock is in value something like Rs. 20 to

[Mr. Darcy Lindsay.]

Rs. 25 lakhs. If stamps were manufactured in the country, there would be no necessity for carrying more than a six months' supply and the interest on Rs. 10 lakhs or Rs. 15 lakhs thereby saved is a considerable sum. This includes all classes of stamps manufactured, and on these grounds I strongly urge that arrangements should, if possible, be made for the manufacture of stamps in India.

Sardar B. A. Dalal (Bombay Northern Division: Non-Muhammadan Rural): With your permission, Sir, I might mention that stamps are made in the Indian States, especially in Baroda, and, if my information is correct, also in Rajpipla, and it should not, I think, be very difficult to manufacture them in India; so this enterprise might be entrusted to Indian firms.

With these remarks, I support the amendment.

The Honourable Mr. C. A. Innes: Sir, the difference between Dr. Gour and Mr. Darcy Lindsay and myself is merely a difference of point of view. Dr. Gour and Mr. Darcy Lindsay have no responsibility in this matter; the Government have. As I have said, this is a very important question indeed. The Government now supply postage and judicial stamps for all India and, before we embark on a new departure in the way of manufacturing those stamps in India, we must be thoroughly satisfied that we are not going to have a breakdown. That is the reason why Government consider that they must watch their steps most carefully and that they must proceed cautiously. That is why we have had the question examined by these two officers at home and that we propose to await their report before we take further steps. Both Dr. Gour and Mr. Darcy Lindsay have referred to the fact that certain Indian States print their own stamps. I am aware of that fact, but they have me at a disadvantage. I also have made inquiries; I also have information on this point, but that information was supplied to me in confidence and I am not at liberty to use it. Neither Dr. Gour nor Mr. Darcy Lindsay referred to the cost of printing those stamps, and I might point out that in this matter, in these times of financial stringency cost is a very serious consideration. (*Dr. H. S. Gour*: "I have been informed, Sir, that the cost is 15 to 20 per cent. cheaper than Thomas de la Rue's rates.") My information, Sir, is different and surely this different information indicates the necessity of proceeding with care and caution. Dr. Gour then stated that the House would not tolerate any extension of the de la Rue contract. We have no present intention of extending that contract. All I say is that, if re-arrangements are decided upon by the Government and arrangements through private firms for the manufacture of stamps in India are not completed in time, the contract will continue to run under the operation of the clause in the contract which provides for its running on and termination at six months' notice. I suggest, Sir, that the House should remain content with what I have told them, namely, that by the end of this month or next month we shall have this report out from home. The whole question will then be discussed with full knowledge in that report and that report will be put up to a departmental Committee of the Commerce Department with a view to see what further action should be taken.

Mr. President: Does the Honourable Member move a reduction?

Dr. H. S. Gour: Yes, Sir.

Mr. President: Of one rupee or Rs. 100?

Dr. H. S. Gour: One rupee will do, Sir.

Mr. President: The question is:

"That the demand under the head 'Stamps'—including expenditure in England—be reduced by one rupee."

The motion was adopted.

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 999 be granted to the Governor General in Council to defray the charges which will come in course of payment for the year ending the 31st day of March, 1924, in respect of 'Stamps'."

The motion was adopted.

DEMAND NO. 5—EXCISE.

The Honourable Mr. C. A. Innes: Sir, I beg to move:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment for the year ending the 31st day of March 1924 in respect of 'Excise'."

The motion was adopted.

DEMAND NO. 12—INTEREST ON DEBT AND SINKING FUNDS.

The Honourable Sir Basil Blackett (Finance Member): Sir, I beg to move:

"That a sum not exceeding Rs. 22,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March 1924 in respect of 'Interest on Debt and Sinking Funds'."

Sir Campbell Rhodes (Bengal: European): Sir, I notice in this demand that the question of Exchange enters very largely into the matter. My Honourable friend, Mr. Jamnadas Dwarkadas, recently asked a question of the Finance Member in regard to the sale of Council Bills and I should like to supplement that question by asking whether the Honourable the Finance Member has considered the point and, if so, whether he has arrived at any conclusion. The regulation of exchange operations, the sale of treasury bills and the provision of ways and means are all inextricably mixed together, and it seems to me wrong that while one of these three items is regulated in England, the other two are regulated out here, and that it would be in the interests of economy if the whole were regulated on the spot. Speaking last week in a small mofussil station I was careful to say not that the Council sales should be effected here in India but that they should be regulated, if not actually effected, in India. For I realise there are difficulties in the way of effecting Council Bills in India. There are two primary difficulties. In England there is one centre, London: here there would be about five. Also the Government of India would not care to part with money at one end until they received it at the other. But I see no objection to the actual regulation of the sale of Council Bills being effected in this country, and in fact I see very obvious advantages. I believe that the Government could so regulate their exchange operations as to get their money home at better rates and at the same time come to the help of the trade of the country when there was a tendency towards a rise.

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadan Urban):

Sir, I support the motion made by my Honourable friend, Sir Campbell Rhodes, and in doing so I associate myself with the remarks that he has made. A few days back I put a few questions to the Honourable the Finance Member in order to find out who it was that controlled this policy of the sale of Council Bills, and when the answer was that it was the Secretary of State, who controlled it; I put a further question and asked him whether the Finance Department of the Government of India here was not capable of regulating the policy of the sale of Council Bills and why it was not done. The answer of the Honourable the Finance Member was "Well, it was obviously so because it has been so for a number of years." Well, Sir, Sir Campbell Rhodes has rightly pointed out that it will be to the advantage of this country to regulate and control the policy of the sale of Council Bills here at this end. There is one more suggestion that I was going to make, and I should like to know from the Finance Member if it is a suggestion that can be put into effect. If I understand rightly, the present method is to ask for tender in sterling value. If you could effect the same in rupees I think more advantage would be taken by the people of this country than by merely capitalists and banks. I do not know how far it is possible to arrange that, but if it is possible I think it would be of great advantage to the country.

Sir Montagu Webb (Bombay: European): Sir, if I understand this demand aright, it is purely to provide the money to pay for the skeleton forms of Government Promissory Notes. If that be so, might I put in a suggestion that while the Honourable the Commerce Member is thinking how to print stamps in this country, he might also take into consideration if it will be possible to print Government Promissory Notes also?

The Honourable Sir Basil Blackett: Sir, I shall be glad to convey to the Honourable the Commerce Member the suggestion which has been made.

I do not want to delay the House long on this general subject of Council Bills which arises presumably on this vote because a large item in the vote represents exchange on London. Sir Campbell Rhodes has repeated here some very interesting suggestions which he made in a speech in Calcutta a week or two ago, and Mr. Jamnadas Dwarkadas has also supported the general proposition that the Government of India should not confine itself to one method only of obtaining the sterling it requires, namely, the sale of Council Bills through the Secretary of State in London. This matter has been under consideration from time to time and I should like to make it clear to the House that the Secretary of State and the Government of India do not regard themselves as in any way confined to this one method of remittance. If occasion arises, they regard themselves as free to buy sterling in the market in India.

Sardar B. A. Dalal: Have they ever done so?

The Honourable Sir Basil Blackett: It has been done on occasion but not to any very large extent. The further suggestion that has been made was, I understand, not that there should be a change in the place at which Councils should be sold, but that there should be a change in the control or regulation. I think it is obvious that London has very many advantages as the place in which to effect Council sales. The method of Council sales has the great advantage to which Mr. Jamnadas Dwarkadas referred,

that it has been in force for a hundred years and is well understood and works fairly well in ordinary times. The possibility of adopting a system of tender in India is one which will not be lost sight of, but there are a good many difficulties and no very obvious advantages as compared with sale in London. I do not quite follow the suggestion that was made by Mr. Jamnadas Dwarkadas that we should do our transactions in terms of rupees. What is really done is that rupees are offered for sale in London. So long as your desire is to remit money to London, you must either offer rupees to be brought in London or offer to purchase sterling in India. That is simply the obverse of the same transaction. The question of regulation of sales is one to which attention will be given, but I think the House should not misunderstand the position. It is only a question of machinery. At the present time the Secretary of State does effect his operations in consultation with the Government of India, and it is only a question of emphasis, I think, and not a question of real change unless it is suggested that some other agency than the Bank of England should be employed.

Sir Montagu Webb: May I suggest, Sir, that the Imperial Bank of India be permitted to sell sterling at all times in India?

The Honourable Sir Basil Blackett: The matter will be considered.

Sir Deva Prasad Sarvadhiary: Sir, the sporting offers about laying a rupee down on the table are tempting. Whether I receive the offer or not, I should like if I may to leave out the word 'crore' in my amendment,* showing how generous one, without what Mr. Innes calls any responsibility, can be. It has been pointed out that this is only a vote for Rs. 22,000, and that not even for note forms but skeleton forms of notes. Incidentally therefore I desire to raise a question with regard to what is called service expenditure,—Provision for service of new loan. Well, Sir, as the Honourable Finance Member reminded us, though not a windfall, for the time being it was a great help to us that the whole of the provision for service as well as the whole of the loan were not necessary last year. There were thus some savings last year which reduced the deficit to a certain extent. This year, I believe, we stand on firmer ground than that, and it will not be a question of all the loan Government had intended not having to be contracted, but the Government loan being actually intended to be less this year. If my reading of the situation is correct, I should like to ask the Honourable Finance Member as to whether even now some appreciable reduction could not be made on the non-voted item, namely, in the provision for service of new loan,—both the rupee loan as well as the sterling loan. What are the facts of the case? Last year, I believe for the rupee loan Rs. 1,25,00,000 or thereabouts was provided. For a flotation of Rs. 46 crores the total expenditure was somewhere in the neighbourhood of Rs. 58 lakhs giving service costs at about $1\frac{1}{2}$ per cent. This year our loan is expected to be Rs. 25 crores—and if the proposal for carrying Railway annuities to capital is given effect to—Rs. 26 crores. At $1\frac{1}{2}$ per cent. which is the figure for the last year, it would cost us about Rs. 32½ lakhs. There is also a provision for 80 lakhs under this head, and if my reading of the situation is correct there will be a saving of something like Rs. 47½ lakhs.

Then turning to the sterling loan, we are, I believe, in a similar favourable position; we are going to raise a loan, I believe, of £50 millions. That, on last year's figures, will cost us 87½ lakhs according to the calculations that

*"That the demand under the head 'Interest on Ordinary Debt and Sinking Funds' (page 33) be reduced by one crore." (*As printed in the list*).

[Sir Deva Prasad Sarvadhikary.]

I am mentally making. I take it that facilities in London are not less than here and if the expenses are $1\frac{1}{2}$ per cent. or, including brokerage at $1\frac{1}{4}$ per cent., even then the savings would be 87½ lakhs. Between this 87½ lakhs and the 47½ lakhs on the rupee loan, something like 85 lakhs may be expected to be saved. One cannot be as sanguine as all that. But supposing half or nearly half of that was to our credit that would bring us 50 lakhs. Then there is another point of view—the question of interest for the broken period. Loans are not floated immediately; there is some saving of interest in the broken period if the loan can be floated in a suitable market, supposing here also we make a saving, altogether there will be a net saving that will be helpful to the present situation as there was last year. From this point of view, Sir, I desire to draw the attention of the Honourable Finance Member to the question and want to elicit an expression of opinion as to whether our point of view is reasonable or not.

Mr. President: The question is:

“That the demand under the head ‘Interest on Debt and Sinking Funds’ be reduced by Re. 1.”

Rao Bahadur C. S. Subrahmanayam (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, in addition to what my friend, Sir Deva Prasad Sarvadhikary, said, there is another point, and it is this. This figure on page 34—Rs. 47,50,000—is calculated at Rs. 10 to the £, whereas all other calculations are made at Rs. 15 to the £. The point was that last year when 47 crores of loan were raised in this country, the expenditure including all the charges and broken period interest were 58 lakhs. On that ratio this year it ought to be something less than 80 lakhs. Similarly on the sterling loan there should be an expenditure, not exceeding 25 lakhs. So with these two savings and the saving in exchange, a substantial sum could be saved and that will go to reduce the deficit.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, may I say a word as I have given notice of a similar motion? It is not a simple expression of opinion only that I expect from the Honourable Finance Member—I expect him to make a specific declaration as to how much, having regard to the facts placed before him, he is prepared to deduct from the amount which he has entered for service charges. There is only one other matter which I should like to mention and that is this: last year the amount of the rupee loan was, I believe, 47 crores; this year it is intended to float a loan only of 25 crores of rupees. If that is so, there must be a considerable reduction in the sum provided for service charges. Another item that has been mentioned is the amount of charges for a sterling loan—the amount entered is £485,000; it was 475,000 last year; it is £485,000 this year. As pointed out by my friend, Mr. Subrahmanayam, if you put it at the rate of Rs. 15 a £, there must be a considerable reduction and even if we

Mr. A. V. V. Aiyar (Finance Department: Nominated Official): There must be an increase.

Mr. T. V. Seshagiri Ayyar: I take it that you will have to pay about 70 lakhs if your calculation is correct, and I take it that if you float a loan at such a period as to make the intervening period between the time at which the interest begins to run and the time that the loan is subscribed.

as short as possible, you will be able to make a great saving. The loan certainly should be floated in a manner that the finances of the country should suffer least. If you take all these considerations into account, I have no doubt you will be able to cut down the amount by something like Rs. 35 lakhs at least. I suggest this, Sir, to the Honourable the Finance Member so that he may cut down from this non-votable item at least Rs. 35 lakhs.

Mr. A. V. V. Aiyar: Sir, it is somewhat disheartening to find that when we are doing our best to reduce our expenditure, our action is used to our disadvantage.

Sir Deva Prasad Sarvadhikary: Not at all.

Mr. A. V. V. Aiyar: Last year we made a provision of 125 lakhs, and it is said that we spent only 58 lakhs, and that is the case. But I will take the House a few years back. In 1919-20 we floated a loan of 21 crores and we had to spend 131 lakhs on that, which amounted to 6 per cent. Similarly in England in 1921-22 we floated a loan of 17 million pounds, on which we had to spend 375,000 pounds. Obviously in a matter of this kind we should be guided by the conditions of the money market from time to time, and it is not desirable to tie Government down to any fixed dates within which loans may be floated, or fixed period for which interest should run in the first year. This is a matter in which Government should have as free a hand as possible, and I am sorry to say that after careful consideration we cannot see our way to accept any reduction under this head.

Mr. President: The question is:

"That the demand under the head 'Interest on Debt and Sinking Funds' be reduced by Re. 1."

The motion was negatived.

Mr. President: question is:

"That a sum not exceeding Rs. 22,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March 1924 in respect of 'Interest on Debt and Sinking Funds'."

The motion was adopted.

DEMAND NO. 43—STATIONERY AND PRINTING.

Mr. A. H. Ley (Industries Secretary): Sir, I beg to move:

"That a sum not exceeding Rs. 57,92,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Stationery and Printing, including Expenditure in England'."

The motion was adopted.

DEMAND NO. 84—COMMERCIAL INTELLIGENCE.

The Honourable Mr. C. A. Innes: Sir, I beg to move:

"That a sum not exceeding Rs. 2,13,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Commercial Intelligence'."

Khan Bahadur Sarfaraz Hussain Khan (Tirhoot Division: Muhammadan): Sir, I beg to move:

"That the provision for Superintendent and clerks under sub-head 'Bureau of Commercial Intelligence' under the head 'Commercial Intelligence' be reduced by Rs. 80,000."

The amount budgeted for 1922-23 was Rs. 61,810, but in the current year the amount has been increased to Rs. 1,58,780. The first thing that I should like to know is as to why this increase has been made. Now the Retrenchment Committee say on page 214 of their Report:

"This Department was, no doubt, useful during the war when the Director had various duties to perform in connection with the supply of munitions and when it was considered inexpedient to publish any information relating to the movement of trade, but it is questionable whether it is now necessary to maintain an establishment on this scale for the purpose. In view of the necessity for retrenchment, we are informed that certain existing or contemplated activities of the department have been abandoned which will effect a saving in the current year's budget of Rs. 1,08,000 and of Rs. 1,59,000 in 1923-24. Whether Indian trade benefits to an extent warranting the expenditure which will still remain is open to doubt, and we recommend that further economies should be effected, increasing the saving to Rs. 2,09,000."

Further on, the Retrenchment Committee say:

"In view of all the circumstances we are of the opinion that the budget of the combined department should be reduced to Rs. 2,00,000, a reduction of Rs. 2,80,000 on the budget for 1922-23."

Therefore, Sir, in view of the fact that the Retrenchment Committee have recommended a reduction and also in view of the fact that an increase has been shown in the current year's expenses in this department for a Superintendent and clerks, I move that the budgeted amount should be reduced by Rs. 80,000.

Bai Bahadur Lachmi Prasad Sinha (Gaya cum Monghyr Non-Muhammadan): Sir, I beg to support the motion put forward by my Honourable friend, Khan Bahadur Sarfaraz Hussain Khan. Under the head Commercial Intelligence we were asked this year in the original Demand to vote for 2 lakhs 63 thousand. In the revised estimate which has since been issued we are asked to vote for Rs. 2 lakhs 13 thousand. But the proposal of the Retrenchment Committee was to reduce 1 lakh 59 thousand from the budget figure of 1922-23. Honourable Members will see this for themselves from page 214 of the Retrenchment Committee's Report. If that proposal had been accepted, the figure under this head would have come down to 1 lakh 57 thousand. Sir, the ultimate saving proposed in the combined departments of the Directorate of Statistics and Bureau of Commercial Intelligence was Rs. 2 lakhs 80 thousand—(page 215 of the Retrenchment Committee's Report), thereby giving them a sum of Rs. 2 lakhs only. So if we reduce the amount allotted to the Bureau of Commercial Intelligence by 60 thousand it will still leave a sum of nearly a lakh for that branch (1 lakh 57 thousand 5 hundred minus 60 thousand, equal to nearly a lakh). Further the actuals of 1921-22 of the Bureau of Commercial Intelligence as shown in the Demands is roughly 1 lakh 60 thousand whereas it has been raised to 3 lakhs 3 thousand in 1923-24 which is nearly double and the figure for pay of establishment, etc., was 47 thousand 9 hundred in 1921-22 which was raised to 96 thousand 7 hundred and fifty in the budget estimate of 1922-23 and which is now proposed to be raised to one lakh 82 thousand in 1923-24. So out of all these figures, if we reduce even this item of pay of establishment by 60 thousand rupees, it will still leave in the hands of Government 1 lakh 22 thousand which is also greater than the sum voted for last year.

Dr. Nand Lal: Sir, I have also got an amendment relating to this demand and happily I have now given some thought to and seen the literature on the subject. I have gone into it, so far as I could, and I have been driven to this conclusion that this Department is a most useful Department, so far as the commercial development of our country goes. I am sorry I sent in this amendment of mine before going thoroughly into the subject, and in the circumstances, which I have stated above, I do not now propose to move it. Besides I also feel constrained to oppose this amendment, now before the House, for various reasons. I would have put forward all these reasons had I the time, but unfortunately the Leader of this side of the House, I mean the Democratic Party, has prompted me to cut short, and therefore, to prove myself loyal to his command and in the interests of economy of time, I confine myself to this remark, that the arguments which have been advanced by my learned friend is untenable and if he would care to spend a little more time on the details, he will find it (his argument) to be incorrect. With these few words, I oppose this motion.

The Honourable Mr. C. A. Innes: Sir, I should like to say a few words in continuation of what Dr. Nand Lal said. I don't think my Honourable friends on the left have realised the true figures. The Inchcape Committee recommended that the two Departments be now combined into one and the budget estimate for the Commercial Intelligence Department and the Statistics Departments should be revised to a net figure of Rs. 2,00,000. The budget demand we have put up to the Assembly is for Rs. 2,63,000; that is to say, we are Rs. 63,000 in excess of the figure suggested by the Inchcape Committee. Like Dr. Nand Lal I regret very much the necessity of cutting down this Department. It is a very important Department for the Commerce Department of the Government of India. The Commerce Department of the Government of India spends most of the year at Delhi and Simla. It is quite essential that we should have a link between ourselves and the commercial centre of India, namely, Calcutta, and that is one reason why a commercial intelligence officer is extremely necessary. Then, again, that Commercial Intelligence Department exists mainly for the small manufacturer and small trader in India. Since 1913-14 the letters received by the Commercial Intelligence Department has increased enormously. These are nearly all inquiries from small traders and small manufacturers in India asking to be put in touch with markets. We have built up quite a big organisation, a big connection with the commercial sections of the various Consular offices all through the Empire. Well, most of that work now, I am afraid, must go by the board. We could not show any direct return for the money we spent. Nor are we going to show that, because it is not our business or our practice to follow up our advice. We merely try to bring these small men into touch with outside markets. And then, again, this Department supplies us with statistics we require, not only with sea-borne statistics but the other kinds of statistics. We shall have to restrict these statistics drastically and that is what we are now engaged in doing. But we recognise that in these days the most important thing is to balance the budget, and we are doing our very best to carry out the recommendations of the Retrenchment Committee. But, for the coming year, we have not been able to carry them out, and that is for various reasons. In the first place, we have to see which of our statistics we can get rid of with the least disadvantage. In the second place, there is the usual lag to be accounted for. For instance, if this reduction were carried out, the first thing I should have to do would

[Mr. C. A. Innes.]

be to retrench at once and without any notice at all an officer who has served the Government of India faithfully for the last 30 years. As he is to retire in December, we propose either to retain him or to give him leave till December and I am quite sure that the House will want us to treat the men whose appointments are being retrenched with consideration of that kind. The House may rest assured that we are doing our best to carry out these retrenchments. If we have not been able to come up to the exact budget figure recommended by the Incheape Committee, it is because we have not had time in a complicated Department fully to explore all the avenues. In these circumstances, I hope the reduction will not be accepted by the House.

Mr. President: The question is:

"That the provision for Superintendent and clerks under sub-head Bureau of Commercial Intelligence under the head 'Commercial Intelligence' be reduced by Rs. 80,000."

The motion was negatived.

Sir Deva Prasad Sarvadhikary: The Honourable Mr. Innes joining forces with Dr. Nand Lal will vanquish anything. I would rather withdraw my motion which ran as follows:

"That the demand under the head 'Commercial Intelligence' (page 99) be reduced by Rs. 1,00,000."

Babu Braja Sundar Das (Orissa Divisions: Non-Muhammadian): Sir, the object of my moving this motion is this. The Retrenchment Committee have recommended a big cut in this very useful Department of the Government of India, and it is to bring to the notice of the Government my disapproval of the recommendations of the Incheape Committee in this instance that I brought forward this amendment and I think that the Government of India should not agree to the recommendation of the Incheape Committee at least in this direction and make this Department as useful as it could possibly be for the industrial and commercial development of India. With these few words, with a view to economy of time, I move my motion.*

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Sir, I wanted some information from the Department and I hope my Honourable friend, Mr. Innes, will enlighten me. Sir, I live very near this office called the Commercial Intelligence Department in Council House Street, Calcutta. I do not know much about it but I have seen that there are a number of rooms and a large number of European high officers going there. I do not see many Indians amongst the officers going there. I find some of them are in *italics* on page 99 under Demand No. 84—Commercial Intelligence and they are non-votable. But there are some items, for instance purchase of furniture, Rs. 1,500, and service postage and telegram charges, Rs. 15,000; I do not know what are the particulars—how many messages and of what description are sent that we shall have to incur Rs. 15,000 within 12 months. I do not know if there is any necessity for incurring the last item on the next page—page 100—other contingent expenditure—and there are also postage and telegraph charges. There are thus two items. I do not know what the second item for Rs. 5,000 is for. This is a second item

* "That the demand under the head 'Commercial Intelligence' (page 99) be reduced by Rs. 100."

on a similar subject giving another Rs. 5,000 after the first item of Rs. 15,000. I ask whether my Honourable friend Mr. Innes will enlighten us for the benefit of the country.

The Honourable Mr. O. A. Innes: Sir, Mr. Ahmed has omitted to notice that this year we have combined the Department of Director of Statistics and the Commercial Intelligence Department, and no separate provision at all has been made this year for postage and telegram charges. It is all shown under the head Commercial Intelligence, Rs. 15,000. The reason why it is rather large is that the Commercial Intelligence Department is in the habit of sending Home a weekly cable to the city of London summarising the trade prospects in India. The discontinuance of that telegram is under consideration and Mr. Ahmed may rest assured that these telegram charges will be brought under very careful scrutiny in order to effect the retrenchment recommended by the Incheape Committee.

Mr. K. Ahmed: What about purchase of extra furniture and other things I have stated?

The motion was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,13,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Commercial Intelligence'."

The motion was adopted.

DEMAND NO. 44—MISCELLANEOUS.

The Honourable Sir Basil Blackett: I move:

"That a sum not exceeding Rs. 21,23,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Miscellaneous'."

Khan Bahadur Sarfaraz Hussain Khan: I beg to move:

"That the provision under sub-head Miscellaneous and Unforeseen Charges under the head 'Miscellaneous' be reduced by Rs. 1 lakh."

My simple reason is that in the year 1921-22 the Miscellaneous and Unforeseen Charges came to Rs. 83,160. In the year 1922-23 the budget estimate was Rs. 3 lakhs. And it is again Rs. 3 lakhs for the coming year. I do not see why in the present financial condition it should not be reduced. It is stated here "Miscellaneous and Unforeseen Charges". Miscellaneous is a thing which covers many items. We do not know what the unforeseen charges are. It is in this view that I would like to move my amendment.

The Honourable Sir Basil Blackett: Sir, the actual expenditure in 1921-22 under this head was Rs. 60,45,000 including the non-votable items, against a figure of Rs. 47,45,000 which we ask for the coming year; that is a reduction of 13 lakhs. The Honourable Member's suggestion therefore that there has been an increase over the actual expenditure of 1921-22 is based on some misapprehension. As regards the details of this vote they are set out fairly fully on pages 149 to 152 of the book. They are, as the Honourable Member says, of a miscellaneous character. All the large provisions included are identified there. We are of opinion that the sum

[Sir Basil Blackett.]

we ask for is necessary for the purpose of carrying on the ordinary administration. I do not think that because the Budget estimate for this current year is rather less than what we want now, it is possible to say that we can carry on next year on a figure less than the figure we have here put down. I have more than once informed the House that we have introduced estimates showing the lowest possible figure, in some cases I fear too low, on the expectation that we shall work down to it—I do not say that particularly applies to this estimate but I do not think that there is any item in this estimate on which we can save unless we cease to carry on some particular service, and if the House wishes for reduction I suggest it is only by pointing out the particular items on which we can say that in this case there is any possibility of saving money.

The amendment was, by leave of the Assembly, withdrawn.

Munshi Iswar Saran (Cities of the United Provinces: Non-Muhamadan Urban): Sir, I have the honour to move:

“That the provision for ‘Public Services Commission’ under head ‘Miscellaneous’ be omitted.”

So far as this question is concerned, the attitude of the Assembly is perfectly clear. We gave expression to our strong disapproval of the Commission on a previous occasion. It will be in the recollection of the House that there was no division called and I may take it that that motion was carried, if not unanimously, of course not unanimously, at least by an overwhelming majority. For the purposes of this motion I need not suggest for a moment that there may be no grievances of the Indian Civil Service or of any other service but we do most seriously and strongly object to the appointment which has been made I shall not say in defiance of but in opposition to the practically unanimous opinion not only of this Assembly but of Indians outside this Assembly. It is of no use for us to try to know what the view of the Government of India is in this matter because the Honourable the Home Member said on the previous occasion that he would not disclose the correspondence that has passed between the Government of India and the Secretary of State and the view that the Government of India held on this question. He said that any such disclosure would be against all precedent and against the usual practice of the Government of India. I only need refer to the assurance given by Government on the floor of this House so far as the question of emigration was concerned. Government said that it was trying to do all that it could to see that the position of Indians overseas was improved and that all their legitimate grievances were removed. Might I say in passing that it would have been well if Government had also on this occasion given us an indication of its own attitude in this connection but as it pleases Government not to disclose its own view, I do not think any useful purpose will be served by my asking Sir Malcolm Hailey to say what is the correspondence or what is the nature of the recommendation made by Government. Sir, I have not forgotten and indeed those Honourable Members who will support my motion have not forgotten that there is every chance, I had almost said certainty, that if this motion is carried, Government is going to restore this item. Sir, this is really a serious and important question and I can assure the House that those of us who have made up our minds to vote for this amendment have not done so without giving their best and most serious thoughts to this aspect of the matter. But, Sir, when we find that the Secretary of State and the authorities in England will persist in a course

of action against the practically unanimous wishes of the people, then it is the clear and bounden duty of the House to say "No" to it. Our position is this. We will have nothing to do with the step that you have taken. The responsibility is yours. You do whatever you please. Sir, it is a subject on which one can speak very strongly but I refrain from doing so for the reason that our views have already been fully expressed on the last occasion and I dare not taken more time in view of the guillotine at five o'clock this evening. I therefore move this amendment and I hope that the House will by an overwhelming majority carry it, because any other course will be inconsistent with the position adopted by us on the last occasion and I say that it is up to us to be consistent and to show that as far as this Commission is concerned our dislike of it, our disapproval of it has not diminished one bit. My Honourable friend Mr. Jamnadas Dwarkadas was perfectly right the other day in what he said at the time of putting questions. "Is Government aware that our disapproval of this Commission continues undiminished?" I venture to say that Mr. Jamnadas gave expression to the views of a great many of us present in this Chamber and of a very large number of people outside it. I beg to move my amendment.

The Honourable Sir Malcolm Hailey (Home Member): It would be well I think that I should attempt to forestall other speakers, because I wish to put to the House certain considerations on this question; they may not perhaps affect what they feel on the subject of the Royal Commission, but I hope that they will affect the attitude of the House on this particular vote. Mr. Iswar Saran was correct enough in saying that the attitude of the House when we previously discussed this question was unmistakable. It left us in no doubt of the fact that the majority of the House did then, and on that occasion, feel that a Royal Commission should not have been appointed. Now, let me disclaim any desire to go again into the merits of the question as it stood then. But we have since published the terms of reference. This much at all events you will allow me to say, that the terms of reference prove that those of us who then spoke in justification of the appointment of a Commission were correct in forecasting that it would have a much wider scope and one more interesting to India at large than was at the time anticipated in the press in India, and indeed was anticipated in this House. We are told, however, by Mr. Jamnadas and by Mr. Iswar Saran that since the publication of the terms of reference no change has taken place in the view held by the majority of the people on the subject of a Commission. That is not true of the press; there has been more than one signal convert, but on the facts let me say this that after all it might be worth while for us to pay something to get a solution of the following question:

"The possibility of transferring immediately or gradually any of their present duties and functions"

that is, the duties and functions of the All-India Services,

"... to services constituted on a provincial basis."

Believe me, if we get a satisfactory solution of even that question it would be very well worth the three lakhs we propose to spend on the Commission. Then again if we should get a satisfactory solution of the question of the recruitment of Europeans and Indians respectively, for which provision should be made in the constitution established by the Government of India Act, that again might from any point of view be worth very much

[Sir Malcolm Hailey.]

more than the three lakhs we propose to spend. Now, that is as much as I shall say on the merits of the question, for I feel strongly, that everything that has been said here on the merits of the question itself has found its answer, and an ample answer in the terms of reference.

But, I wish to put another aspect of the case to the House, more appropriate to the occasion. We are preparing a Budget in which we place such expenditure as we believe to be necessary and unavoidable, and we ask the House to vote supply accordingly. In the process of discussing the demands for supply, the House on many occasions points out to us directions in which it thinks that the whole or a part of that expenditure could be avoided and other expedients adopted; in other words, it indicates directions in which money might be saved; and if it fairly convinces itself that money can be so saved, it is entitled to demand that a reduced provision should be made in our account. But here we have a case in which we know that the expenditure must be incurred. The House may say that they regret it, and that they would very much rather that it had not come about; they may reiterate that they would have preferred a different form of inquiry to solve their problems, which they admit require solution; nevertheless they know as well as we know that this expenditure cannot now be avoided. They may not like the origin of the Commission; but they must recognize the fact that under the orders issued by His Majesty's Government the Commission will be appointed, and has to be financed. Now, when we are faced with unavoidable expenditure of this type, can we reasonably refuse supply for it? If supply is refused, it simply comes to this, that though there is no provision in our accounts, yet the money must be spent and the House will be in the position of refusing to allow the provision in our Budget of expenditure for the avoidance of which they can suggest no practical expedient. It is not, therefore, on this occasion a mere question of expression of opinion, or, if I may put it that way, of resentment; on this occasion, it is merely a question of provision of money for unavoidable expenditure. May I take a domestic analogy? Nobody likes paying income-tax. There are few people who show a glow of satisfaction when they receive their income-tax returns. And yet in drawing up your domestic budget, would you allow your dislike of the tax to prevail to such an extent that you would refuse to take cognisance of the fact that you had to pay? Would you arrange the scale of your expenditure on the supposition that this demand should not be made and therefore would not be met? That is an exact enough parallel.

Dr. H. S. Gour: Do votable items of the Budget stand on that analogy?

The Honourable Sir Malcolm Hailey: Though this is a votable item, it is clearly enough unavoidable, and I say it is not a reasonable attitude for this House to take up that it ought not to be included in the account. Taking the matter on a broad and common-sense view, I say that in these circumstances it is not possible in reason to refuse, merely on a point of like or dislike, to allow this item a plea in the Budget. If it is a question of expressing feeling that has already been taken, here we are merely on a question of providing money for unavoidable expenditure. Indeed, whatever I may feel as to the wisdom of the former vote taken by the House, I can go so far as to say that by allowing this item to stand it does not in any sense whatever commit itself to any change of its feelings

on the subject of the Royal Commission. I have myself every confidence that when that Commission is appointed, when the House sees its personnel, when it gets to work, a great change of feeling will take place. I remember well the criticisms in this House on the subject of the Incheape Committee; I remember how in Simla I was made the target of questions and objections regarding its composition, and regarding its sphere of operation. The attitude now is completely changed; there are few who do not welcome its results. I believe myself that the House will in time come to welcome the results obtained by the recommendations of this Royal Commission, but for the present I confine myself to saying this, that by allowing this item to stand in the Budget, the House does not necessarily indicate to be public that those who have before been opposed to its appointment have changed their view. And the House can therefore, in spite of what Mr. Iswar Saran said, with perfect consistency with its former opinion, allow this item to stand.

Mr. Jamnadas Dwarkadas: Sir, it is really a matter of regret to me that in this respect I cannot agree with the views expressed by my Honourable friend Sir Malcolm Hailey. There was a little bit of heat shown yesterday by some speakers, and in answering the arguments advanced, my Honourable friend Sir Malcolm Hailey refused to accept as a compliment the statement that nothing was meant against the individual Members of Government. I want the Honourable Sir Malcolm Hailey to believe me when I say, and I say it in all sincerity, that in opposing this grant of 3 lakhs of rupees for the Public Services Commission we have nothing absolutely to say against not only the personnel of the present Executive Council, but also against the Government of India as it is at present constituted. But despite all that my Honourable friend has said in support of the Assembly voting a grant of Rs. 3 lakhs, I feel convinced that the Assembly will be stultifying itself if it takes any other course except the only consistent course it can take, and that is, it should refuse to vote this sum of three lakhs. My Honourable friend says, "You have already expressed your opinion, you condemned the appointment of the Royal Commission, now when it comes to voting the money, even if you vote this money your opinion will be on record that you have condemned the appointment of the Commission." Let us consider what that means, that when it came to expressing your view with regard to the appointment of the Commission in words, in talk, you were prepared to condemn it, but when you were called upon by the exercise of the power that is vested in you to mark your approval or disapproval of the step taken by His Majesty's Government, you failed to put your intention into practice,—you refused to exercise the vote that you had, and you voted away the country's money for the appointment of this Commission. Is this House prepared to place itself in this stultifying position? After all it is not the talk that counts, it is the exercise of the power that you have over money, although in a limited sense, that is of real significance; and the only significance that will be attached to our inconsistent attitude on this occasion will be that perhaps the terms of reference announced later on by His Majesty's Government have won a few votes from the other side to the side of the Commission. If you analyse the speech of the Honourable the Home Member, you will find that the danger is great. The Honourable the Home Member has referred to the terms of reference. He has expressed his own opinion that the terms of reference are wide enough, that they are wider than was contemplated by the Members of this Assembly. If we took a different attitude from what we took when we

[Mr. Jamnadas Dwarkadas.]*

were discussing the question of adjournment I believe that the interpretation of that attitude will be this that, having seen the terms of reference, we have changed our opinion and veered round to the view that the appointment of the Commission is not only necessary but wise. I say that, if this House is prepared to endorse that opinion, it is entitled to vote these Rs. 3 lakhs; but if the House, in spite of the publication of the terms of reference, sticks to its opinion that the Commission is not necessary, that the appointment of the Commission is not wise, and that the Commission is being appointed in the teeth of the opposition of the sensible element of the people of this country, then this House can take no other step than to refuse to vote the Rs. 3 lakhs that are asked for. What will be the effect? The Honourable the Home Member says that the expenditure is unavoidable and that, therefore, you have to vote it. How is it unavoidable? The House has the power to vote this money. If we refused to vote it, if events took their natural course, this Commission would, even at this stage, not be appointed. But I can see what the Honourable Member means. He means that, His Majesty's Government having appointed this Commission, even though the House refused to vote the money, the money will be provided by the only course that is open to His Excellency the Governor General to take, namely, by certifying and restoring the grant. Well, Sir, if His Excellency the Governor General and the Government of India are prepared to take that course in the teeth of the opposition of not only this House but also, if I may say so, in the teeth of the opposition of the whole of the people of this country, let the responsibility of doing so rest on their shoulders and not on our shoulders. We are here, after all, to represent our constituents and are responsible to them. How can we take any course which, in our honest opinion, is not calculated to do good to the constituents whom we represent here. If you do not agree with our opinion, and if you think that this is an item which needs to be restored by the extraordinary power that is vested in His Excellency the Governor General, you are free to do so, but you will do it on your own responsibility and you will not throw the responsibility on our shoulders. I ask the House to adopt the only course that this House in consistency and out of self-respect can adopt, namely, to refuse to vote the grant.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indian): Sir, I admire the man who has the courage of his own conviction and holds it. But after we have heard what the Honourable the Home Member has said, I do not admire the courage of my Honourable friend Mr. Jamnadas Dwarkadas in upholding his former conviction and opposing this motion. When this subject was discussed some weeks ago in this House, I think I was the only member who supported the appointment of a Royal Commission. Sir, I have got the permission and the support of the Leaders of many minority communities in this Honourable House in what I intend saying now, in so much that we support the appointment of this Royal Commission to India. Sir, when I last supported this, Mr. Jamnadas got up and twitted me for suggesting that it was quite possible that one of the terms of reference of this Commission would be to consider further Indianisation of the services. It might have seemed to Mr. Jamnadas an absurd suggestion but it was quite a possible one, and I repeat in the hope that it might tempt Mr. Jamnadas Dwarkadas to agree to this Commission; though I see he is still determined to oppose it.

The Honorable the Home Member has told us, in fact most Members of the House have already seen, the terms of reference; and no one here, I am sure, will doubt that they are very wide in nature and include many important matters. In fact, it embraces more subjects than we originally thought the Commission would do and I am not at all sure, Sir, that it may not lead to expedition in Indianisation of the services, to use the word 'Indianisation' in a very generic sense.

Mr. N. M. Samarth (Bombay: Nominated Non-Official): Including Anglo-Indians!

Lieut.-Colonel H. A. J. Gidney: Yes, including Anglo-Indians. Sir, when this Royal Commission was formerly discussed, pointed and repeated reference was made and quite rightly made regarding the I. C. S. amongst whose members great uncertainty exists regarding their future. There is no doubt, Sir, that the I. C. S. man who enlisted in 1913 does not like the India of 1923. There is also no doubt, Sir, that the India of 1923 does not like and does not much want the I. C. S. man of 1913. But the I. C. S. man who comes to India from 1923 onwards wants to know what India will be like in 1929 or 1933, because he wants to know what his terms of appointment will be. There is no doubt, Sir, that the Indian Civil Service is to-day not recruiting the type of man it did originally, and it is a doubtful matter whether it would not be better to let India recruit the best of her own men instead of the third or fourth rate men from England.

This Commission will also consider the advisability of short service for future I. C. S. appointments so that India can, in its transitional stage, still get the best that England can give her for the administration of this country. Now, Sir, the Honourable Sir Malcolm Hailey referred just now to the advisability or possibility of provincialising all the Imperial Services and which I think every Member of this House was pleased to hear though Mr. Jamnadas called it a "bait." In this Honourable House we hear a lot said about the Services not being properly Indianised or not being done at a quick enough pace. Well, here is a Commission that will possibly help you in getting a quicker pace on—or at least, in provincialising the various services; and yet we hear Honourable Members objecting to this Commission.

Well, Sir, whatever the composition of this Committee is—I however hope the minority communities are represented on it—I trust that one of the subjects that will be seriously and thoroughly discussed will be communal representation in the various services. This I submit should constitute one of its most important terms of reference, and on this matter alone I feel sure this Commission will be welcomed by every member in this Honourable House who belongs to a minority community or to a politically backward community.

Sir P. S. Sivaswamy Aiyer (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): I have had very considerable difficulty in making up my mind on this question, which is one upon which it is by no means easy to come to a conclusion. At the outset I should like to state that I am by no means enamoured of this machinery of a Royal Commission which the Secretary of State has proposed to set up for the purpose of enquiring into the questions indicated in the terms of reference. That does not mean that I ignore the existence of grievances on the part of members of the Indian Civil Service regarding their condition. It does not mean that I admit that there is no ground for an enquiry. I should have very much

[Sir P. S. Sivaswamy Aiyer.]

preferred any enquiry of that sort to be conducted by a body appointed by the Government of India itself. There is a growing feeling of dislike of any dictation from outside India to the Legislature here in India; and there is a feeling that at the bottom of this decision to appoint a Royal Commission there is a certain amount of want of confidence in this Legislature. That accounts, I believe, for the feeling of irritation which has been displayed by the members of the Assembly. I should therefore have preferred to employment of some machinery which would not have offended the susceptibilities of this House. Now, Sir, with regard to this question of the grant for this body, two courses have suggested themselves to me as worth considering,—whether we should carry the disapproval that we expressed on the last occasion to the point of voting against the grant, or whether we should reaffirm our disapproval by giving an unmistakable indication that we do not take any responsibility for the decision to impose this burden of three lakhs upon this country. I am aware of the existence of a strong feeling in the House against the allowance of this demand for the expenses of a Royal Commission; but at the same time I feel that we should not give any occasion to the Secretary of State to exercise his power of interference and suggest to the Government of India the restoration of the vote against our decision. That is a course which I dislike intensely and I should prefer to avoid giving any occasion for the exercise of that power of restoration of the demand over our heads. Again there is another circumstance which weighs with me to some extent, and that is, that the rejection of this demand may probably create an atmosphere of bitter prejudice against us in England. On the one hand consent to this demand will create prejudice against us in this country; on the other hand the rejection of this demand will probably create an atmosphere of very strong prejudice against us on Parliament and on public opinion in England. With all these various considerations present to my mind, the course which seems to me to be the best to adopt in the circumstances is to refrain from voting, leaving it to the official element in the Assembly to pass the demand on their own responsibility. If the non-official members of the Assembly as a body refrain from voting and make it clear that their abstention is due to the disapproval of the particular machinery which the Secretary of State has chosen to employ, I think it cannot be charged against us that we have changed our attitude or that we have in any indirect way expressed our approval of the appointment of this Royal Commission. Speaking for myself, I should rather refrain from voting than vote against the grant, and if other Members of the Assembly approve of my suggestion, I hope they will also refrain from voting, leaving it entirely to the officials to carry out the mandate of the Secretary of State.

Captain E. V. Sassoon (Bombay Millowners' Association: Indian Commerce): Sir, the feeling of the non-official portion of this House as regards this question of the Public Services Commission has been stated to be the willingness of India to look after her own services. I agree with that feeling. I think that we should look after our own services and that it should not be necessary for a Commission to be sent out from Home to put any grievances right. But, Sir, before we express our objections in any case,—shall I say very particularly and virulently against the appointment of this Commission,—we must first feel sure that we have done all that is possible in looking after our own services.

Mr. Jamnadas Dwarkadas: We are ready to do it.

Captain E. V. Sassoon : Mr. Jamnadas says we are ready to do it. I ask, have we always done it? Now, Sir, I have an amendment later on in the paper on the question of the police which I will move if the guillotine does not fall before it comes up. I hold in my hand here a pamphlet which has been issued by the Indian Police Association and issued not in India, but in London. This pamphlet puts forward grievances which the Police state they are suffering under, and I must admit that on reading through the pamphlet and with my own very slight knowledge of the conditions in this country, I think there is a great deal to be said from their point of view. This pamphlet refers people desiring extra information to the Secretary in Pall Mall. Now why does the Indian Police Association find it necessary to state their grievances in London and not in Delhi? They say in their preface, "because they cannot obtain the redress by departmental action and they have no means of ventilating their grievances." Sir, this pamphlet reached me on last Saturday. I cannot help feeling that if it had been universally known that this Assembly was prepared to ventilate the grievances of any of the services, that before taking the trouble to circulate this pamphlet in London, we should have had these grievances put before Members of this Assembly. And, it is because there is widespread ignorance in the services in regard to this point, that they feel it necessary to go to the Secretary of State, and I think that it would be inadvisable for us to express any very violent opinion against the appointment of this Commission, because the supporters of this Commission might say: "If you had actually carried out what you say you are prepared to carry out, why do we have pamphlets like these circulated in London?" Sir, that is why I hope that there will not be a very violent expression of opinion as regards this Commission. But I equally hope that this Assembly will advertise as widely as possible that, if we have not ventilated the grievances of any of our services, it is not because we are not prepared to do so, and we would welcome any opportunity for doing if they will bring forward their grievances.

The Assembly then adjourned for Lunch till Fifteen Minutes Past Two off the Clock.

The Assembly re-assembled after Lunch at Fifteen Minutes Past Two of the Clock. Sir Campbell Rhodes was in the Chair.

Mr. T. V. Seshagiri Ayyar : Sir, I was surprised to listen to the speech of my friend Captain Sassoon on this subject. He seemed to suggest that simply because some of the service men have chosen to ventilate their grievances in England, therefore, we must take it that they have no confidence in the Legislature and that we should abrogate our functions and proclaim to the world that it is better that some outside agency undertakes to redress their grievances. Sir, if this is to be carried to its logical extent, the Government of India in this country cannot be carried on for a minute; I am surprised that a shrewd business man like the Honourable Captain Sassoon should have indulged in an argument of that kind. Sir, so far as my Honourable friend Sir Sivaswamy Aiyar is concerned—he will pardon me for saying it—he seemed to be thinking aloud all the time that he was speaking and I doubt very much whether his thinking aloud had come to an end; and whether he had reached the stage of conclusion; he has

[Mr. T. V. Seshagiri Ayyar.]

not given any clear lead upon a matter of this kind. If he had been clear and had given his time and attention to the subject, I would be the first person to agree with him. But I am not convinced from the way he spoke that his thoughts had materialised and that he had come to any definite conclusion on a matter of such grave importance. Sir, I am under no illusion as regards the result of any adverse vote upon the Government in this Assembly. There is no doubt that the Viceroy would certify or restore; because a Commission has been resolved upon and it is only the question of personnel that remains to be settled. It is not to be expected that the Government of India would say "Find the money in Parliament or somewhere else". They will have to find the money and the Governor General will have to certify. That is not the matter which concerns us. The question is, shall we be true to ourselves if after having passed a vote of censure the other day, we to-day say that we shall allow Government to do what they like, and that we shall express no opinion upon the question at issue. As Mr. Jammadas has pointed out, I think we would be stultifying ourselves if we take up that attitude. It is not a question of our being heroic. It is a question of our being true to ourselves and it is a question of dignity and self-respect after having passed the vote we did the other day. Sir, the Honourable the Leader of the House spoke about the merits of the case. I am not going into it, but may I ask Government what their feelings are on the subject? Having sent out the O'Donnell Circular and seeing that the present Commission will make it unnecessary to consider the replies to that Circular and to come to a decision, I ask what is their feeling in regard to this matter. Have they not been snubbed by the Home Government, and do they not owe it to themselves to resent this indignity which has been put on them? It is desirable that the Executive Government should have the confidence of the people and what confidence can the people repose in them when they find that every one of their acts is being turned down by an authority far away from India. I am anxious as far as possible to avoid a conflict with the Executive Government. I would have gone a great way to avoid that conflict, but, Sir, if it is a question of losing our own honour, losing our own dignity, I do not think that we should mind any conflict which may arise in the matter. A suggestion has been made that if we cut down a rupee from the whole demand we would be equally effectuating the purpose which we have in mind. With all deference to those from whom this suggestion has emanated I must respectfully demur to such a course. Sir, we already expressed our disapprobation of the idea of appointing a Commission when we moved for the adjournment of the House. We then unmistakably showed to the Government that we did not like the procedure adopted in England it was really a vote of censure that was passed. That has already been done. Now comes the question whether we should vote the money for a Commission which we do not want, which we have protested against; and this is the only opportunity we have of carrying out in practice the conclusion which we reached the other day. This is the occasion. The question of voting funds is entirely in our hands subject to any control as to certification which the Governor General in Council may possess. Now, are we going to be frightened by the fact that there is going to be certification? If we do that we will not be true to ourselves, and in order that we may be consistent and that the dignity of this House may be maintained I hope that the non-official Members of the House would stand by what they did on the last occasion and vote against this grant.

Mr. N. M. Samarth: Sir, I formally propose an amendment to the effect that the grant be reduced by one rupee.

In spite what has fallen from Mr. Seshagiri Ayyar that this would not mean our giving effect to our condemnation of the appointment of a Royal Commission in the teeth of the opposition of this House . . .

Munshi Iswar Saran: I rise to a point of order, Sir. No notice having been given of this amendment I beg to object to it.

Mr. N. M. Samarth: As to the point or order, having regard to what happened during the debate there is no notice required of an amendment to an amendment and I can propose it on the spur of the moment.

Mr. Chairman: It is objected to. I am afraid the Honourable Member is not in order.

Mr. N. M. Samarth: If that is so, I have no option but to oppose the view of those who are asking that the whole vote be disallowed. I may say that on the day the adjournment took place I voted with those who were in favour of the adjournment. At that time the terms of reference were in a state of flux. Now the terms of reference of that body are out. I am a robust optimist and not an impotent pessimist and I think that difficulties exist in order that they may be surmounted and not in order that you may be daunted by them. The terms of reference are there and they include to all intents and purposes the issues which were raised in what is known as the O'Donnell Circular. Is it possible that the Government here can determine the issues satisfactorily acting by themselves the issues which were raised in what is known as the O'Donnell Circular? It must be a body deriving its authority from Parliament in order that the ultimate decision of it may be binding both upon the Government of India and the Parliament itself. And nothing but a Royal Commission could really be appointed in order that those issues, namely, the issues involved in the increasing association of Indians in every branch of the administration may be satisfactorily decided. When the question of adjournment was moved, these terms were not before us and the terms now include this item. This is one of the principal items in the terms of reference. Another point to which the Honourable the Leader of the House referred is this. The question which has been agitating us ever so long is the question of the all-India services. The Members of those services go to the provinces. Take the Indian Medical Service, for instance. The Medical Department is a transferred department in a province. Now is that officer to be under the control of the Minister who is in charge of that department or is he not? All these questions will have to be gone into and the provincialisation of the different services will have to be determined. Take, for instance Bombay. Bombay is a comparatively rich province. It may afford to give higher salaries than Bihar and Orissa, or for the matter of that the Punjab or the Central Provinces may. We may engage our technical experts and our other Officers on any salaries that our resources can afford and we can progress. That is also a matter which will have to be decided. I do not think that those who say that we should be consistent are alive to the importance of the terms of reference as they are. Again, some think that nothing will come out of this Royal Commission. On the contrary, a man of my temperament says, "Very good, whatever the personnel may be men of my type and others of my type and of my way of thinking will go

[Mr. N. M. Samarth.]

and fight our cause before that Commission and we shall present our case in the best possible way." Sir, this attitude of pessimism and importance is an attitude which does not appeal to me. As I have said, if you do not accept the reduction of the amount by one rupee, there is no course left for me but to vote for the grant. Now the position of Government is this and the position of this House is this. Whatever the view of the Government might have been at the time when the Commission was going to be appointed only with a view to inquire into the grievances of the Services, it must be said to the credit of the Government of India that they saw that the terms of reference must be widened and the terms have accordingly been widened. Now there is the grant of 8 lakhs, whether you pass it or not. Place yourselves in the position of Government. Do not divest yourselves of the responsibility of those who are in office. They have to find the money, willingly or unwillingly, *nolens volens*, for the Commission which has been appointed by His Majesty's Government. What are they to do? You say you merely decline to grant it. By your declining to grant it, you are not going to do anything which will bring relief to yourselves but which will merely stultify the Government of India. I do not think it is practical politics to do anything of the kind and I, therefore, oppose this motion.

Sir Deva Prasad Sarvadhikary: Sir, I should have been pleased to follow Mr. Samarth, the whip of my party, to the Lobby, as is my duty—when I do not happen to feel the other way, I would have done so, if he had been permitted to move the proposed reduction of Re. 1. But that having been disallowed and he having expressed determination in the alternative of supporting the grant, his and my way lie apart in this matter. If the condemnation that could be conveyed by the reduction of a rupee is not allowable the House in my judgment has no other course left open but to oppose and solidly oppose this grant. I do not think, Sir, that the speech of the Honourable the Leader of the House or the early publication of the terms of reference have helped to clear up the situation at all. On the contrary, it has certainly added to my difficulties. If there had been a motion at the instance of the Governor General for increasing the sum provided (Rs. 3 lakhs) to the amount that the last Public Services Commission had cost, I should have understood the situation. Undoubtedly the terms of reference have been expanded and that itself carries with it the augmented difficulties of the situation. The expansion of the terms of references will not satisfy those for the removal of whose grievances the Commission was in the first instance conceived. We have had many warnings about that in the press that represents their views. They say if the scope of work of the Commission is going to be as wide as the terms of reference show and if the Commission is not coming to India till the next cold weather, they do not want to have anything to do with it but would prefer direct action that they contemplate. In the meantime we have had an expression of opinion from responsible men like Mr. Seshagiri Ayyar that when the Commission comes people should give it the widest possible berth. As I said on a previous occasion, I have no sympathy with that attitude, and when the Commission does come in spite of public opinion it will be up to us to give it all possible help. But that is another story. Sir, if the entire question of provincialization and Indianization of the services is to be taken up it will be a much larger work. The last debate on the subject here in this House must have helped in widening the terms of reference, which is a gain so far as

it goes. If however all that is to be done, the somewhat sneering allusion of the Secretary of State or Under Secretary of State, I forget which, to Lord Islington's criticism as to the time likely to be taken by the Commission and the cost—the sneering reference to Oriental delay of the last Public Services Commission—no longer holds good. The time that will be taken, the money that will be spent, will be nearly as much as if not more than the Islington Commission cost and a large portion of the report of that Commission is now reposing on the upper shelf. There is no finality with regard to these Commissions. Commission after Commission comes; one recommends, the other condemns; Government criticises and defers action; those affected also criticise. I have not heard any reference to-day to what is the clear duty of the Government and I include the Secretary of State in that term,—under the Government of India Act. I do not want to minimise the value of what Captain Sassoon has brought to the notice of this House. All services are entitled to have their grievances looked into and redressed but the Government of India Act has provided a statutory remedy with regard to that, standing, permanent, lawful and legal—if one wants to distinguish the two things as I am told there was an attempt yesterday to do here. The Public Services Commission to be appointed under section 96C of the Government of India Act, shall according to its terms discharge in regard to recruitment and control of the Public Services in India such functions as may be assigned thereto by rules made by the Secretary of State in Council. All questions that possibly can arise and come before the Secretary of State can be provided for by the Rules. The terms of reference which have been somewhat inexplicably published long before the Commission is due to come, the contemplated Commission could probably discharge for the time being all the functions narrated there. But there will be no finality, I differ from Mr. Samarth that the findings of a body, say, like the Statutory Commission, would not find acceptance at the hands of those concerned. Well, if they do not accept what the Statutory Commission may do we are powerless. That is the only thing that the Government of India Act has provided for the purpose of meeting all contingencies and it has not yet been even tried. It is no good agitation being started by any Service without exhausting the remedies under the Act. The Royal Commission has been thought of as a passing remedy and is coming, no matter at what expense, no matter against what volume of public opinion. Though the terms of reference have been published the Commission is not coming out straightaway. So far as our finances are concerned, one might have waited till they right themselves and a supplementary grant might have been asked for when the Commission was about to start. Then again we do not know anything about the personnel of the Commission. That would be another determining element so far as the judgment of this House is concerned. Therefore we are not in the position in which the Assembly could be called upon to revise its decision and be asked to vote this amount at the present moment. Sir, we have been told that it will make a very bad impression about this Assembly in England if this grant is withheld. I doubt it. Moreover I suppose this will not be the first time that the Assembly will have taken responsibility with regard to that. Year before last the Lytton Committee was blocked. It was not a Royal Commission, but it was a Commission upon which the Secretary of State had set his heart. I am not complaining of that. The Commission could not come and instead we had Lord Lytton coming out to Bengal as Governor, which by itself is a net gain. But the point I want to make is so far as this Assembly is concerned, this will not be the first time when it has withheld a grant which the Secretary of State has wanted. We often

[Sir Deva Prasad Sarvadhikary.]

hear about the likelihood of the certifying procedure and of the grant being restored. It is not for us to mention that; it is not for us to think of that. It is bad enough that the official Members have been reminding us about it. It is bad enough that they forget that it is not good form to remind the tribunal before which they are pleading of what the appeal Court is likely to do. If that was attempted in other tribunal, the visitation would be severe indeed. But we ourselves need not put that forward as a reason why what is considered wrong should be done. I do not want to withhold hospitality from anyone, but this stands on quite a different footing. If the Commission has to come, for certain purposes, and those do not happen to be purposes which this Assembly—as I gather from the speeches—is prepared to endorse, there can be no question of lack of a due sense of hospitality. If the other course of reducing a rupee is not open—and I myself should have been prepared to accept that course as giving expression to what we think in the matter—the only course left to the House is to vote against the grant and leave the authorities to take any steps they like.

(Several Honourable Members: "The question may now be put.")

Mr. Jamnadas Dwarkadas: On a point of order, Sir. I was not here when the Honourable Mr. Samarth moved that a reduction of Re. 1 be made. As objection was taken to that amendment, I understand you ruled that out of order, Sir. May I point out, Sir, that in many instances in the course of the discussion on Demand for Grants the Honourable the President has after the discussion has gone on for some time allowed amendments for reduction of Re. 1 in order that discussion may be concentrated.

Dr. Nand Lal: I believe that my Honourable friend is asking the Chair to review the order. There is no rule for reviewing the order in the present circumstances.

Mr. Chairman: If it is the wish of any Members in the House that they should have the opportunity of considering this amendment, it is within the province of the Chair to allow it to be moved and discussed. If I can get any indication that there is a wish to move and discuss this amendment—which is not really a substantive motion—I am quite willing to allow the House to discuss it.

Dr. Nand Lal: Sir, there is no use in shutting our eyes to the facts and consequently, speaking for myself, I concede at once that the terms of reference, as we now see, are decidedly wider than we thought they were before. But I may say to Sir Malcolm Hailey that that wide character of the terms is not a complete answer to our exceptions which we very respectfully take to this Commission. Our objection is based on three grounds: firstly, that it is not the Government of India who desired it, it is not this country which required this Commission, but this is a Commission which has, I may submit with due deference, been hurled upon us; and, on principle, Sir, the people of this country are against it. The second ground is this, that we do not want it at all. We do not want a Commission. Had we wanted it, we would have put forward our petition, in that behalf, before the Government of India ourselves. The third ground on which we oppose it, is this that we are poor. In our present condition we cannot afford to spend the money. As you know, India has been renowned

for a good many things, and one of those things is her hospitality. She will be ready to extend her hospitality, she will be ready to accord reception, but she feels very reluctant to afford that hospitality on this occasion. I do not agree with the Honourable Mr. Jamnadas Dwarkadas that since we have committed ourselves once, therefore, we are limited to-day. Again speaking for myself, if I were guilty of an error of judgment once and some fresh data is placed before me I shall be quite prepared to review that judgment. But no fresh data has been shown, no further evidence has been set before us, no new grounds have been set forth . . .

Mr. Jamnadas Dwarkadas: I rise on a point of personal explanation. I never expressed my opinion on the merits; I only rose to a point of order with regard to the amendment.

Dr. Nand Lal: I have the greatest respect for the soundness of the opinion of Sir Sivaswamy Aiyer, but I am sorry I have to differ from him, and he will excuse me for that, and it will not minimise the force of my statement that I have got a genuine respect for his views. I differ from him. My own opinion is this that either we should vote for a thing or go against it. I have no faith in political jugglery, that we may reduce it by one rupee. We do not want it; we cannot afford to invite the Commission, therefore, why should we not, like straightforward men, go and say to the Government of India, "Well excuse us, we are not prepared to welcome this Commission." Now, Sir, a very forcible argument has been advanced on behalf of the Government, and that argument as usual emanated from our learned Leader of the House, I mean the Honourable the Home Member, "that after all this country will have to pay." "When you know you will have to pay, why don't you pay up sweetly?" My answer to that is this, if we make ourselves a party to such action we shall be considered guilty at the bar of the people of this country. What answer shall we give? If the Government of India is prepared to put that burden upon us, we shall have to pay, but we shall not be responsible for that; that payment will be due to our submission. But if the Government calls upon us to give our consent, we refuse and we refuse with the greatest possible respect. With these few remarks I very respectfully submit that this House will go against this Demand.

Mr. Harchandrai Vishindas (Sind: Non-Muhammadian Rural): Sir, I shall be very brief because so much time has been taken on this subject. There are some statements made which should not go unchallenged. I will first deal with Mr. Samarth. He first of all asked permission to move an amendment to reduce the demand by one rupee, which, was tantamount to a vote of censure against Government for making this demand. But when he found that it did not find favour with the House, he at once turned round and began to support the whole grant. It is therefore quite clear that he has been inconsistent. The points which have been made by those who are against the grant have not been at all sufficiently answered. One point is this, that it is the function of this Legislative Assembly, and of the Central Legislature to take action upon these questions and to take these questions into consideration, and that it was a great insult to this country and to this Assembly that an outside party should have made the appointment of this Commission. Then, Sir, with regard to what Captain Sassoon said that we have not done anything, the answer to that is who is responsible for that? Could not Captain Sassoon have

[Mr. Harchandrai Vishindas.]

tabled a Resolution that a Committee be appointed to go into these questions? Moreover that practically is a censure on the Government of India. It was up to the Government of India to appoint a Committee to go into all these questions. The reason why we say that this question should have emanated from some party here is that in that case we, the non-officials, would have been properly represented on this Committee, and the Committee appointed would have been a mixed one consisting both of officials and non-officials. That purpose has not at all been served by the appointment of this Royal Commission. At any time, it was up to any Member to move a Resolution for the appointment of a Committee; it was even up to the Government Members, the Home Member or anybody else, to move for the appointment of a mixed Committee of officials and non-officials.

One more point and I have done. Sir Sivaswamy Aiyer said that one of the reasons why we should vote this grant is that we shall be creating a feeling of bitterness in England if we do not. I think, Sir, that English feeling is already bitter against us on this point for the simple reason that we have already passed a vote of censure in the shape of a motion for adjournment; but I do not believe that that result will ensue. On the contrary, I think that John Bull is a fair and straightforward man, he is a strong fighter, and he would appreciate the fact that we have been consistent in our attitude. On the other hand, if we were now to vote this grant, we should be lowering ourselves in his estimation as he will say "Oh, these are weak-kneed, at one time they take a strong attitude, but afterwards they get frightened and cave in." Sir Sivaswamy Aiyer also said that if we did not vote the grant the amount would be provided by certification to avoid which we should vote for the grant. My answer to that is, that we are not afraid of certification. We have to express our own opinions and judgments without any thought of certification because otherwise we shall be laying ourselves open to the charge that we throw over our convictions for fear that our action might be modified or upset by the Government. Well, if we were to proceed on that hypothesis, I think we shall be unable to contest any of the demands made by Government. For that very reason we should insist upon our own opinions and our proper judgments being expressed. I say, if there is to be certification, so much the better. I welcome that because each time of certification there will be driven a further nail into the coffin of despotic Government.

(Cries of "Let the question be now put.")

Mr. Manmohandas Ramji (Indian Merchants Chamber and Bureau: Indian Commerce): Sir, after hearing all the arguments, I think that it would be better for this House to take some middle course. If we reduce this grant, by 3 lakhs, the suggestion will be that, as we have on a former occasion voted against the appointment of this Commission, therefore, in order to keep up our position, we have voted against this grant. Well, Sir, if there was a possibility that, if we reduced this grant by 3 lakhs, the amount would be reduced, and kept there, it would be all right; but that is not going to be the case. There is some other authority which can restore this grant. Now, why go to that extent when we can avoid that position and keep up our own position by not stultifying ourselves in

joining to accept this grant? Therefore I propose that this grant may be reduced by Rs. 10, and thus show our disapproval.

(Honourable Members: "The question be now put.")

The Honourable Sir Malcolm Hailey: The House must allow me one observation. I do not think that I could allow it to proceed to a vote on this question without calling attention to two or three remarks which have fallen from the speakers in the course of the discussion.

It has been sought to create prejudice against this Commission on a ground which I confess to me is both novel and astonishing. It is said that it has been appointed—and I quote the exact words—"appointed by an outside authority." It is the first time that I have heard that a Commission appointed by His Majesty the King at the suggestion of the Cabinet of Great Britain is a Commission which has been appointed by an outside authority to India.

Then it is said that the course which has been taken prevents an examination of outstanding questions on the services by officials and non-officials. That again is a most astonishing statement. Till you see the composition of the Commission, what right has any Member here to prejudice and prejudice it by a statement of this nature?

It is said that Government must take the responsibility, and if this expenditure is reduced the Governor General must certify it. The correct word, of course, is "restore" and the correct agency is not the Governor General but the Governor General in Council; but that is by the way. But the ground on which that statement was made is this—that if certification or restoration is resorted to, it will be welcomed because it is a fresh nail in the coffin of a bureaucratic Government. Is that so? Or is it an invalidation of the principle for which most Members of this House have stood, namely, the Reforms? I ask you to judge what is the exact effect of such a process before you welcome it, as Mr. Harchandrai Vishindys has so lightly done. I return to my original point, that in a proposal of this kind, which is for removing a definite provision from the Budget, you must decide not on a question of like and dislike, but on another consideration—whether your account will be correct if you omit it. There is no escaping this expenditure, as the House well knows. It must then find a place in the accounts; there is no avoiding that; and to seek to cut it out of the accounts would be simply to attempt to render those accounts to that extent inaccurate. You will not gain in any way in the expression of your resentment or your feeling on this subject by removing from your Budget expenditure which must be incurred and for which somehow or other provision must be made. That was my point, I avoided any discussion—and I am glad to say the House for the most part has also avoided discussion—of the merits of the Royal Commission. We are addressing ourselves to the Budget, and I ask you to decide the question purely from the Budget point of view.

(Honourable Members: "The question be now put.")

Mr. Chairman: The question is:

"That the question be put."

Before I put it, I would like to say there have been indications from several parts of the House that they wish Mr. Samarth's amendment to

[Mr. Chairman.]

be put before the House and therefore, if this motion is carried, I shall put that amendment first. The question is:

"That the question be now put."

The motion was adopted.

Mr. Chairman: Order, Order. The question is:

"That the provision for 'Public Services Commission' under head 'Miscellaneous' 3 p.m. be reduced by Re. 1."

The Assembly divided:

AYES—16.

Abdul Rahim Khan, Mr.
Abul Kasem, Maulvi.
Aiyer, Sir P. S. Sivaswamy.
Amjad Ali, Maulvi.
Das, Babu B. S.
Gajjan Singh, Sardar Bahadur.
Jamnadas Dwarkadas, Mr.
Muhammad Ismail, Mr. S.

Mukherjee, Mr. J. N.
Ramayya Pantulu, Mr. J.
Ramji, Mr. Manmohandas.
Samarth, Mr. N. M.
Sarvadhikary, Sir Deva Prasad.
Sassoon, Capt. E. V.
Webb, Sir Montagu.
Willson, Mr. W. S. J.

NOES—56.

Abdul Majid, Sheikh.
Abdul Quadir, Maulvi.
Abdul Rahman, Munshi.
Agarwala, Lala Girdharilal.
Ahmed, Mr. K.
Ahsan Khan, Mr. M.
Akram Hussain, Prince A. M. M.
Asjad-ul-lah, Maulvi Miyan.
Ayyangar, Mr. M. G. M.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Barua, Mr. D. C.
Basu, Mr. J. N.
Bhanja Deo, Raja R. N.
Bhargava, Pandit J. L.
Chaudhuri, Mr. J.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Faiyaz Khan, Mr. M.
Faridoonji, Mr. R.
Gidney, Lieut.-Col. H. A. J.
Girdhardas, Mr. N.
Gour, Dr. H. S.
Gulab Singh, Sardar.
Hailey, the Honourable Sir Malcolm.
Innes, the Honourable Mr. C. A.
Iswar Saran, Munshi.

Jafri, Mr. S. H. K.
Jamall, Mr. A. O.
Jatkar, Mr. B. H. R.
Kamat, Mr. B. S.
Lakshmi Narayan Lal, Mr.
Latthe, Mr. A. B.
Mahadeo Prasad, Munshi.
Man Singh, Bhai.
Misra, Mr. B. N.
Moir, Mr. T. E.
Mudaliar, Mr. S.
Nabi Hadi, Mr. S. M.
Nag, Mr. G. C.
Nand Lal, Dr.
Neogy, Mr. K. C.
Reddi, Mr. M. K.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Mr.
Schamnad, Mr. Mahmood.
Singh, Babu B. P.
Sinha, Babu Adit Prasad.
Sinha, Babu Ambica Prasad.
Sinha, Babu L. P.
Sinha, Beohar Raghubir.
Sircar, Mr. N. C.
Sohan Lal, Mr. Bakshi.
Srinivasa Rao, Mr. P. V.
Vishindas, Mr. H.

The motion was negatived.

Mr. Chairman: The question is:

"That the provision for 'Public Services Commission' under head 'Miscellaneous' (page 150) be omitted."

The Assembly divided :

AYES—46.

Abdul Majid, Sheikh.
Abdul Rahman, Munshi.
Abdulla, Mr. S. M.
Abul Kasem, Maulvi.
Agarwala, Lala Girdharilal.
Ahmed, Mr. K.
Ahsan Khan, Mr. M.
Akram Hussain, Prince A. M. M.
Asjad-ul-lah, Maulvi Miyan.
Ayyangar, Mr. M. G. M.
Ayyar, Mr. T. V. Seshagiri.
Barua, Mr. D. C.
Basu, Mr. J. N.
Bhargava, Pandit J. L.
Chaudhuri, Mr. J.
Faiyaz Khan, Mr. M.
Girdhardas, Mr. N.
Gour, Dr. H. S.
Gulab Singh, Sardar.
Iswar Saran, Munshi.
Jalri, Mr. S. H. K.
Jannadas Dwarkadas, Mr.
Jatkar, Mr. B. H. R.

Joshi, Mr. N. M.
Kamat, Mr. B. S.
Lakshmi Narayan Lal, Mr.
Mahadeo Prasad, Munshi.
Man Singh, Bhai.
Misra, Mr. B. N.
Mudaliar, Mr. S.
Nag, Mr. G. C.
Pand Lal, Dr.
Neogy, Mr. K. C.
Ramji, Mr. Manmohandas.
Sarfaraz Hussain Khan, Mr.
Sarvadhikary, Sir Deva Prasad.
Singh, Babu B. P.
Singh, Babu Ambica Prasad.
Sinha, Babu Adit Prasad.
Sinha, Babu L. P.
Sinha, Beohar Raghubir.
Sohan Lal, Mr. Bakshi.
Srinivasa Rao, Mr. P. V.
Subrahmanayam, Mr. C. S.
Venkatapatiraju, Mr. B.
Vishindas, Mr. H.

NOES—45.

Abdul Qasdir, Maulvi.
Abdul Rahim Khan, Mr.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Aiyar, Mr. A. V. V.
Allen, Mr. B. C.
Amjad Ali, Maulvi.
Bagde, Mr. K. G.
Bhanja Deo, Raja R. N.
Blackett, Sir Basil.
Bradley-Birt, Mr. F. B.
Bray, Mr. Denys.
Brayne, Mr. A. F. L.
Bridge, Mr. G.
Chatterjee, Mr. A. C.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Faridoonji, Mr. R.
Gajjan Singh, Sardar Bahadur.
Gidney, Lieut.-Col. H. A. J.
Haigh, Mr. P. B.
Hailey, the Honourable Sir Malcolm.

Hindley, Mr. C. D. M.
Holme, Mr. H. E.
Hullah, Mr. J.
Innes, the Honourable Mr. C. A.
Jamall, Mr. A. O.
Latthe, Mr. A. B.
Ley, Mr. A. H.
Lindsay, Mr. Darcy.
Mitter, Mr. K. N.
Moir, Mr. T. E.
Muhammad Hussain, Mr. T.
Muhammad Ismail, Mr. S.
Nabi Hadi, Mr. S. M.
Percival, Mr. P. E.
Samarth, Mr. N. M.
Sams, Mr. H. A.
Sassoon, Capt. E. V.
Schamnad, Mr. Mahmood.
Singh, Mr. S. N.
Sircar, Mr. N. C.
Townsend, Mr. C. A. H.
Welb, Sir Montagu.
Willson, Mr. W. S. J.

The motion was adopted.

(At this stage Sir Campbell Rhodes vacated and Mr. President took the Chair.)

Mr. Lachmi Prasad Sinha: Sir, the Retrenchment Committee's findings are that the receipts in 1922-23 including the grant of the Rajkot College are expected to exceed the expenditure by Rs. 12,000 and the College authorities moreover gave the Committee to understand that the college is going to be self-supporting—*vide* Retrenchment Committee report, page 192.

The Honourable Mr. A. C. Chatterjee (Education Member): May I rise to a point of order, Sir? The Honourable Member is referring to the demands for grants under Education. I do not think it has been moved yet.

Rai Bahadur Lachmi Prasad Sinha: Are we not dealing with Education? If not, I am sorry, Sir, that I moved my motion under a misapprehension.

Mr. President: We are now under the head Miscellaneous.

The question is:

"That a reduced sum not exceeding Rs. 18,23,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Miscellaneous'."

The motion was adopted.

DEMAND No. 27—EDUCATION.

The Honourable Mr. A. C. Chatterjee: Sir, I beg to move:

"That a sum not exceeding Rs. 2,49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Education'."

I may state, Sir, that the grant originally entered in the Demands for Grants was Rs. 2,80,000 and a reduction of Rs. 31,000 has now been effected.

Rai Bahadur Lachmi Prasad Sinha: Sir, the Retrenchment Committee's findings are that the receipts in 1922-23 including the grant of the Rajkot College are expected to exceed the expenditure by Rs. 12 thousand and the College authorities moreover gave the Committee to understand that the college is going to be self-supporting (Retrenchment Committee report, page, 192) so their final recommendation was not to make any provision for this college whereas Government in their Budget, 1923-24, demands from us a sum of Rs. 28 thousand for the College. Further on, so far as the Aitchison College is concerned, the Committee remarked that the finances are in an unsatisfactory condition. It also observed that question of discontinuing the grant is being considered. But, Sir, here also a sum of Rs. 28 thousand is being demanded from us. In the first case there appears to be no necessity for having any grant in aid for the Rajkumar College considering that it is self-supporting. Even if it were not I think this expenditure should come from those who are directly benefited by this College. So far as the second one is concerned, it has been pointed out by the Retrenchment Committee that only 16 per cent. of the students are from Indian States and the rest from the Punjab. So here also the expenditure should come from the Indian States where students are directly benefited as well as from the Punjab Local Government. In the circumstances, Sir, I think my motion for reducing this 56 thousand rupees is not unreasonable one. Further though in the Revised Schedule we find a cut of 31 thousand from the total budgeted figure for the head of Education, we do not know how and from what other sub-heads it is going to be made up of:

"That the provision for charges under sub-head Chiefs' Colleges under the head 'Education' be omitted."

Mr. Denys Bray (Foreign Secretary): The Honourable Member I am sure on reflection will realise that it is hardly practicable suddenly to withdraw subventions of long standing which meet a considerable percentage of the cost of these institutions. What Government have already done

is this. We have reduced the grant to the Rajkot College from Rs. 25,000 to Rs. 10,000 and the grant to the Aitchison College, Lahore, from Rs. 28,000 to Rs. 15,000. The Bombay Government hold out hopes that by next year it may be possible to make the Rajkot College self-supporting, and in response to a special appeal a substantial increase of contributions from the States to the Aitchison College is expected in the coming year. Honourable Members may say that the States should contribute themselves. My answer is that the States do contribute and contribute generously. There is not one of these institutions—and I am now speaking of the Chief's Colleges in general—which would have come into existence had it not been for the support of the Princes, and there is not one which would continue in existence if that support were withdrawn. I would ask the House to reflect what the result would be if we effected an immediate withdrawal of these grants to these colleges. (*A Voice*: "It will be good to the country.") As I have said, we are doing what we can to reduce them. We have already reduced them by more than 50 per cent. If we reduced the whole of these subventions of ours all of a sudden, we should be putting these Colleges in a position of great difficulty, and I venture to think that our action would be regarded as, what on the Foreign side of the Foreign and Political Department we would call, an unfriendly act. British India, after all, is surely interested in the better education of the Princes and their Thakurs and Sardars. That statement no one I venture to think, will deny. And British India is interested also in the maintenance of cordial relations with the States. And I think if the House will throw out this motion their action will be regarded as an olive branch and as an earnest desire of this House to maintain those friendly relations between British India and the Indian States, which is so essential to the well-being of India as a whole.

Sir Deva Prasad Sarvadhikary: I strongly oppose this motion, not because it is necessary so much to extend the olive branch Mr. Bray has spoken of (though I fully believe in it), but I oppose it on larger issues. In the first place not a pice that can be avoided ought to go out of the Educational Budget. The cuts cannot be assented to by any one determined on advancing the interests of the people as a whole. I think Educational grants ought to be increased. I want to draw the attention of the Government of India to this need and taking a leaf out of Mr. Innes' book (wrong book to begin with, but there are right pages in it), to make a stand and a determined stand to see that nothing in the way of education and allied nation-building subjects should suffer.

In the second place, the Indian Princes are an integral and a very important part of the whole of Indian polity. I believe it would be a mistake to interfere in the least degree with the better education of our Indian Princes. Surely they would pay more if they are obliged to but that is not the point. We want to be in touch with their education, in seism of their education; and above all we want to see that their education is a little more Indianised. We want to Indianise the services. Indianise some of our own people. We want also to Indianise our own Princes. We have been trying elsewhere to suggest that education in India should be self-contained as far as possible, there should be greater co-ordination of educational works. The education of Indian Princes should also be self-contained as far as possible. I had occasion of getting into touch with some of these Colleges like the Aitchison College. They are doing excellent work and I shudder to think of what would happen if the education of those who come under the influence of those Colleges were neglected. There

[Sir Deva Prasad Sarvadhikary.]

is a great deal of room for improvement for which means should be forthcoming. I think that we should mark our sense of appreciation of the work that is done there by withholding support to a motion like this. I propose to speak later on other educational grants and then I shall go into the general question of Education.

Mr. President: The question is:

"That the provision for charges under sub-head Chiefs' Colleges under the head 'Education' be omitted."

The motion was negatived.

Dr. Nand Lal: Sir, I move:

"That the provision for charges in connection with inspection of Chiefs' Colleges under the head 'Education' be omitted."

As you know, Sir, education is a department which moulds the character of the people. It is a nation-building department and if any department renders the best service to the country, it is, to my mind, the Educational Department. The reason why I put forward this amendment is this. That I should like to know from the Honourable Member in charge of this Department as to what is the specific charge in regard to the maintenance of the Chiefs' Colleges. If the Honourable Member will be able to let me know the specific charge exclusive of other items then I shall not press my amendment at all.

The amendment was, by leave of the Assembly, withdrawn.

Sir Deva Prasad Sarvadhikary: I move:

"That the demand under the head 'Education' be reduced by Rs. 100."

Sir, this is an Irish method of reduction for which I move because I want more. And I want to say generally that I hope the Education Member of the Government will make a strong stand and oppose all avoidable educational cuts. I do not now want to go into details. There is a Departmental Committee attached to the Department and I think the Committee ought to be consulted before cuts are assented to. Without betraying official secrets, I understand that there is a difference of opinion with regard to the matter. In order that the Department may be strengthened and public opinion consulted, I hope the Departmental Committee will be consulted before these cuts are made.

The Honourable Mr. A. C. Chatterjee: Sir, as the Honourable Member has said that he does not really want any reduction in this head, I hope he will withdraw his motion. As regards consulting the Departmental Committee, I shall do my best to consult that Committee if there is time to do so before decision is come to on any points connected with reductions under this head. But, as the Honourable Member will see, the only reductions so far as this head is concerned which have been proposed and have been accepted relate to the Chiefs' Colleges.

The motion for reduction was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Education'."

The motion was adopted.

DEMAND No. 49—DELHI.

The Honourable Sir Malcolm Halley: I move:

"That a sum not exceeding Rs. 28,33,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Delhi'."

The House will see that the original budget demand was placed at Rs. 30,58,000 as against Rs. 33,68,000 in the revised estimate for 1922-23. That therefore was in itself a reduction of over 3 lakhs of rupees. From that Rs. 30,58,000 we have further proposed to reduce Rs. 2,25,000, making a total reduced demand of Rs. 28,33,000. Of the Rs. 2,33,000 about Rs. 1,45,000 have been deducted under general heads, Police, General Administration, Contributions and the like, and the remainder has been effected under Education, Public Health and Medical.

The Honourable Mr. A. C. Chatterjee: Sir, as I understand that a number of Members in this House are interested in the question of the grants for education under the head 'Delhi', I may be permitted to explain that there has been a reduction proposed of Rs. 75,000 on the grants as put forward in the Blue Book. The whole of this sum is proposed to be cut from the grants for the Colleges and secondary schools in Delhi. As matters now stand, it is not proposed to make any cut out of the grant to Delhi University. But if it is the wish of this House that any cut should be made from the grant for the Delhi University, then one of these motions that are now down on the paper could with your permission be utilised for giving expression to the views of the House.

Mr. T. V. Seshagiri Ayyar: I am moving, Sir, one of the motions* standing in the name of Dr. Gour. It is felt by my friends on this part of the House that not a pie should be cut down from the grant to the Delhi University. Sir, we are all agreed that there must be a central institution like the University, in a place where the Capital of India is situated, and it would be a very unwise thing to cut down any portion of the money which has been sanctioned for carrying on the work of that institution. Sir, it has been suggested by the Incheape Committee that the grants to the colleges should be cut down. We on this part of the House resent any such reduction being made, because we think that in these matters, in the case of nation-building departments, no attempt should be made to cut down even a single rupee from the grant which was already promised. Under these circumstances, Sir, I oppose the motion which is made, namely, to cut down the original grant by a large sum of money, Rs. 30,000 which, apparently under the revised grant will be taken away from the educational institutions in this province. Sir, I have spoken, because it is the desire of my friends on this side of the House that there should not be very many speeches. I believe I am expressing the sense of the whole of the non-official Members on this side of the House when I say that there should be no reduction whatsoever in regard to the grant to the colleges and the University.

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): Sir, I heartily support the observations made by my distinguished and Honourable friend, Mr. Seshagiri Ayyar, that there should be no reduction in one form or other from the grants made to Education in general or to educational

* "That the provision under the sub-head 'Education—University' under the head 'Delhi' (page 206) be reduced by Rs. 1.

[Maulvi Abul Kasem.]

institutions in particular. We, Sir, the people of India, not of the Delhi province, welcome the establishment of a University at Delhi and we fully appreciate the action of the Government in establishing a University in the Imperial City and headquarters more or less of the Central Government, and we are grateful to Government for that. But, Sir, in this connection, I have been charged to make a little observation of my own for the consideration of the authorities of the University whoever they may be, official or non-official. Sir, when the University Bill was presented to this House, there was a provision—a meagre provision no doubt—for the representation of the members of the Muhammadan community on the University itself. But, Sir, the Select Committee which met discussed this. I happened to be one of the members of the Select Committee and I had the privilege of suggesting that in the constitution itself it should be laid down that a certain proportion of Muhammadans should be on the Senate. Unfortunately, Sir—and I regret it very much—a House where the Muhammadan element was in an absolute and hopeless minority, not only threw out the proposal which was in the original Bill as drafted by the Government draftsman, but also my recommendation on the subject, and the result has not been satisfactory from a Muslim point of view. Out of the 85 members of the Senate, I do not know

Mr. President: I ask the Honourable Member whether in order to satisfy the grievance which he is putting forward legislation would be necessary or not.

Maulvi Abul Kasem: No, it is not for legislation, Sir. The University is not yet complete. Out of 85 members of the Senate there are only 9 Muhammadans and that is a grievance, Sir, and there are other matters also. The Muslim public, and the educated public in particular, feel that their interests are not properly considered and are not safeguarded. I hope, Sir, that in making the nominations to the remaining seats to the Senate and also in other matters, the learned Vice-Chancellor and His Excellency the Chancellor will take these matters into consideration. But before I sit down I shall be failing in my duty if I do not observe that the learned Vice-Chancellor of the University has been instrumental and sympathetic in securing one or two Muhammadan members for the Senate, and I appreciate that thankfully. But the constitution itself is bad, but whatever it is, I hope some remedy will be found for a proper representation of Muhammadans and for the safeguarding of Muhammadan interests. Sir, the Muhammadans are backward in education and I think they need a helping hand to help them through. My learned friend Mr. Seshagiri Ayyar said that education was a department for nation-building. If you have to build a nation, you have to build each component part of the nation before it can be built.

Khan Sahib Maulvi Abdul Quadir (Central Provinces: Nominated Non-Official): Sir, being interested in matters educational, I rise to say a few words on this occasion as it grieves me to see that efforts have been made to effect economy under the head Education, due perhaps to the suggestions in the report of the Inchaape Committee to the effect that there was no need for Delhi University under the present financial stringency, as university education was available for the people of Delhi Province elsewhere in their neighbourhood, and hence the University scheme may be reconsidered. Lord Inchaape's Committee, Sir, has no doubt done immense good to India

by recommending cuts in various other departments, but it has done incalculable harm to the people of this country by suggesting savings under the head Education. If anything is needed for India, education is the thing which is most needed for her. Without education in its proper sense, it is impossible for her to make any headway towards the realisation of the object of the Reterms Scheme. It is not possible to have proper education without establishing a University in every big and important city throughout India. Fortunately the Delhi University has been formed and is put in working order and now to think of setting at naught the whole edifice by refusing to grant its working expenses and the grants of the colleges affiliated to it or to try to cut down anything from the above grants is not in my humble opinion, to say the least of it, a sound principle. It practically amounts to acting like a gardener who tills and prepares his ground, plants fruit trees in it, waters and nurtures them till they are in full blossom, and when they are about to bear fruit, he allows them to go dry because he experiences some difficulty in watering them for the time being and because he can import his fruit from elsewhere. I would appeal to this Honourable House to find out means to spend more upon the education of our countrymen, rather than think of curtailing the expenditure under the head of Education. Universities do not often come into existence and easily, but if they once come into existence, it is our bounden duty to maintain them at any cost. If the financial conditions are not favourable this year, let us hope we shall be having a surplus budget next year or the year after next. We can ill-afford to live year after year upon deficit budgets. If we have the good of our country at heart, we must reduce our expenditure under other heads and make ever-increasing provision for education. Without education we cannot prosper. The more we spend upon education the greater will be our progress towards the attainment of our national aspirations. The solution of the communal problem also lies in the spread of education broadcast. It depends upon one community understanding the interests of the other communities properly and thoroughly. Till then it is not possible to do away with the differences that exist between community and community and give rise to internecine disputes in time and out of time. Besides that, education spreads knowledge and has got the inherent property of increasing the more you spend it as somebody has aptly said:

Vidya dhana sub dhanan te sant kahat sardar

Kharche se kuchh ghata nahin din din hoya udar

Of all the wealth in the world the wealth of education is the superiormost, because, unlike the other heads it increases by expenditure and does not decrease. I strongly deprecate any attempt whether it be on the part of Government or on the part of any individual Member of this House to effect retrenchment under the head of education. It will be a bad day, Sir, for India when this Honourable House will decide upon retrenchment under Education. I oppose the amendment.

Mr. Mahmood Schamnad Sahib Bahadur (West Coast and Nilgiris: Muhammadan): Sir, I oppose any grant being made to the Delhi University. All around Delhi we have got several Universities and there is no justification for a separate University for Delhi as it is and in the present circumstances. The idea of a University for Delhi was conceived with the object of giving equal facilities to all communities and so the Delhi University Bill was drafted with a provision to give separate representation to Muhammadans; but, when it came out from the Select Committee, that clause

[Mr. Mahmood Schamnad Sahib Bahadur.]

was omitted by the advice of men like Dr. Gour, who are enemies of communal representation. And now, Sir, the Retrenchment Committee also has very rightly remarked that the idea of a University for Delhi was premature. If a University in the Capital City be started without a proper representation of the important minor communities, it will spread discontent and will also be very prejudicial to the spread of education among these communities. So I say the amount of Rs. 40,000 may be spent for education in general.

With these remarks, I resume my seat.

Dr. Nand Lal: Sir, I am in favour of the maintenance of the Delhi University; my belief is that it will, one day, prove a very useful University, and I entertain a hope that pupils from various Universities will flock to it. The beginnings of the Delhi University have encouraged me to hope that the day will come when this Delhi University will be considered one of the most prominent Universities in the whole of India. All colleges and other educational institutions may be helped, whether they are medical institutions, whether they are arts institutions, whatever institutions they are, in connection with the Educational Department, may be fully supported, namely, all colleges and all schools here deserve support. I am not standing here to offer any adverse remarks, but I am bound to give a response to the expression of opinion which, whether accidentally or designedly, has been made by my distinguished friend the Honourable Mr. Abul Kasem. He says Muhammadan interests may be safeguarded. May I remind him that Education itself is a department in which we should not think of this caste or creed. Education itself is so sacred a thing that it should not be subject to communal representation. We Hindus would welcome Muhammadans; they are our brethren. We shall be very glad to see the Court is decorated by some of them. But I may venture to say that it should be efficiency and ability which should be the measure and criterion, and not caste. I think no communal question should be talked over on the floor of this House, namely, Central Legislature. This sort of opinions should not be given vent to here. I am very sorry I have got to differ from my Honourable friend. I differed from him on some previous occasions, and I thought he would give due consideration to my suggestions in favour of nation-building. How long shall we keep on to these communal interests? We shall never make a nation, and with all due respect I offer my suggestions to those gentlemen who are great advocates, or so-called advocates of communal representation, that they should try to stamp out this evil which is eating into the vitals of our people in India.

With these remarks I submit that there should be no communal representation, at all, in these sacred University matters. Efficiency, ability and utility should be given due regard, and not the question of this creed or that creed.

Sir Deva Prasad Sarvadhikary: Sir, I strongly support the plea that the usefulness of the Delhi University, for bringing-which into existence we were responsible, should not be interfered with. The damage to the Colleges will be incalculable; they have been taken away from another University, and made to place themselves on another footing. And now, in the name of an ill-considered plea for economy put in by people who do not happen to have studied the question, I do not think we ought to go back upon what we did only the other day. The Inchcape Committee were very well advised in many important matters in pronouncing what

in our profession we call appeal proof judgments. In this case they have not resorted to this wisdom and not one of their educational recommendations can be supported.

Khan Bahadur Abdur Rahim Khan (North-West Frontier Province: Nominated Non-Official): Sir, I am going to support this amendment from another point of view. I am glad that from every corner of this House the voice is heard in support of education, which is a very healthy and promising sign to meet my purpose. But I am very sorry to see in my unfortunate Province retrenchment is directly made in education. I am sorry to notice that in the Report of the Inchcape Committee unfortunately there is a serious retrenchment in education. There are three institutions in my Province. The recommendation is that further grants should not be given to two of these institutions, and in regard to the third that no grant should be given at all; this is death blow to our education and is bound to displease the whole Province.

Mr. President: We are discussing one institution.

Khan Bahadur Abdur Rahim Khan: I am coming to that as I see the sense of this House is entirely in favour of education. I support this proposal and I hope when my turn comes, they will support me too, and will not disappoint me.

Mr. B. S. Das: Sir, I rise to sound a note of warning to my friends who are interested in the University of Delhi. From experience I am bound to sound this note of warning. The Government of India in matters of education are fond of putting very ambitious programmes before the public; they help it to a certain extent, give it a start, and then fall back. That is the case here. That is what I say from experience. They put before us a very ambitious scheme long ago in the shape of a Patna University. It was to be made a residential one; large sums of money were to be spent on that University; that was the original scheme. The Government of India had first made . . .

The Honourable Mr. A. C. Chatterjee: May I rise to a point of order? Is the Honourable gentleman in order in referring to the affairs of the Patna University which is at present under the control of the Bihar and Orissa Government?

Mr. President: I am sorry I missed the word "Patna". The Honourable Member must come to Delhi.

Mr. B. S. Das: What I am narrating is the experience that I had in connection with this University. The Patna University was first started by the Government of India; the scheme was sanctioned by the Government of India and was only recently after the reforms that it was made over to the Government of Bihar and Orissa; but the Government of India were its sponsors

Mr. President: That may be perfectly true, but we are only discussing Delhi now.

Mr. B. S. Das: I bow to your ruling, Sir. I only meant to say that those who are interested in the University of Delhi should take note from the fact and from the experience that we have gained from the University of Patna, that they should not be very hopeful regarding the ambitious schemes and programmes that are before them. Thereby I do not mean to withhold my support to any motion for grant to the Delhi University; I have

[Mr. B. S. Das.]

only incidentally referred to my own experience of my university. That is what I want to say and it was with that view that I proposed another amendment. But I do not like to move it now. Now that there has been opposition to this motion for a grant to the University of Delhi, I would say that there should be no opposition on the part of any Indian to any university. On the other hand there should be a united effort on the part of every Indian to see that all universities in India get their full Government support as they deserve and all the promises made to the universities that are now controlled by the Government of India or that were controlled by the Government of India at one time, should be made good. With these remarks I support the original demand.

Dr. H. S. Gour: I had intended, Sir, to be a silent listener to the debate on the subject of Delhi University and I therefore vacated my place to my Honourable friend, Mr. Seshagiri Ayyar. I feel extremely gratified to hear the unanimous voice raised in favour of the continuance of Delhi University and of its integral colleges. My friend, Maulvi Abul Kasem, has drawn my attention to the inadequacy of Muhammadan representation upon that University. Only on the last occasion when I presided at the meeting of the Court of the Delhi University loud and clamorous shouts were raised from the body of the hall that I was unduly favouring the Muhammadan interests. Well, Sir, what Maulvi Abul Kasem has said has not fallen upon deaf ears; and as for my views against communal representation I hope my friend, Mr. Schammad, will allow for honest differences of opinion. I cannot trim my sails according to his wind, and if he and I do not agree upon the subject of communal representation that is no reason why we should not meet on the common ground of university education. Sir, I am extremely gratified to learn that the Government is sympathetic to the subject of education, but as I have said before, and I repeat it, that sympathy must be translated into actual assistance because the colleges in Delhi sorely need the pecuniary assistance of the Government. They have been re-organized and reconstituted to be brought up to the level of constituent colleges of the Delhi University; and any curtailment of their annual grant will seriously imperil their existence and strike a blow at the utility of the Delhi University. Sir, I need say no more than that my friend Mr. Seshagiri Ayyar will, after hearing the re-assuring promises from the Honourable Member in charge of Education, withdraw his motion.

Mr. K. Ahmed: Sir, neither has the motion been withdrawn nor has the leave of the House taken to withdraw the motion. Under these circumstances, Sir, I think one is entitled to make his speech on the motion that is before the House. If that is so, Sir, I think this is an opportunity when a suitable answer should be given both to my Honourable friends, Dr. Gour and to Dr. Nand Lal of Lahore. My Honourable friend Dr. Nand Lal standing on the floor of this House and speaking on the subject of Education was showing his moustaches, face and fists; he proceeded to call himself as it appeared a great leader in the realm of education and he went on to attack previous speakers most brutally on the subject discussed by him. I thought that in Education the most important thing needed was that it should be imparted equally to every one. We have got a University at Cambridge, and I believe both Dr. Gour and Dr. Nand Lal were educated there. If my friend Dr. Nand Lal is lacking in education or social education, I am very sorry, I am also very sorry that he should have kept aloof from the society of the

educated people of England and attached himself more to non-collegiate Indian Society to which I had the honour to belong. He never realised at the time he made his speech in this Assembly that the University of Delhi requires a staff as good as the staff possessed by the Cambridge University. If that is so, Sir

Mr. President: We are now discussing the subject of Delhi University.

Mr. K. Ahmed: I am now coming to the Delhi University, Sir. We follow exactly the same principle, as my friend Dr. Gour said that the colleges in Delhi have been re-organized and reconstituted. Well, Sir, I take the challenge. But if you look at the constitution of the Delhi University, you will find that out of 85 Members there are only 9 Muhammadans. Sir, is there any equality of proportion in this? When you talk about education, does it mean that you should be in possession of the whole Court? Are you satisfied that the interests of the Muhammadans have been safeguarded? You are now in practically full possession of the Court of the Delhi University and you ask 'what is the use of considering the question of communal representation'.

Dr. H. S. Gour: Who says so?

Mr. K. Ahmed: Dr. Nand Lal says so.

I say, Sir, Dr. Gour did not say so, but the great Dr. Nand Lal of Lahore said so. Now, Sir, I quite agree that you must have a University, but certainly if you have reconstructed the colleges, if you have reorganised them, and if you want to start education in the Imperial town, there must be a University which will impart all sorts of education well fitted to the people of this country. I suppose, Sir, if you would be good enough to allow communal representation in the matter of education, I don't think you will be lacking in any way in the principle that has been laid down by my Honourable friend from Lahore. Sir, I understand that in the whole Delhi province practically one-third of the population is Muhammadan. This figure has been handed over to me just now by a non-Brahman friend of mine who has sympathy with the Muhammadans and he wants communal representation of his own community. Sir, out of 85 Members, if you had given only 9 seats to Muhammadans are not they entitled to get more in proportion to their population?

Mr. President: Are these seats on the Board in question given by the Act, or not?

Mr. K. Ahmed: Sir, reference was made to them and I think my

4 P.M.

Honourable friend, Maulvi Abul Kasem, mentioned that there was a clause in the Act which he had noticed but it appears now that it has been wiped out: the great majority of the people in possession of the Delhi University court are non-Muhammadans and they wanted to eject the minority, and that is the reason why in this temple of education, this temple of justice, where the representatives of the people of India and of the Government are assembled, it is necessary that this point should be threshed out and that is exactly what I wanted to bring in. Now, Sir, with regard to the social education, my friend also says that it will be no University if the communal interest is recognized there. Neither do I appreciate I must confess that it will be a great University where vocal

[Mr. K. Ahmed.]

education is given, nor education that is given in the way of attending lectures only, or writing out theses without taking any lessons from the tutorial staff that has been given by the University, Sir. The other question that has to be considered is this. That, here you have got a different kind of people; some of them will not allow their children to read the Ramayana or Mahabharatta. Would any of my Hindu friends like to see his child read the Bible or some other religious book, *e.g.*, Koran? A Hindu father would say he would not like his child to do that.

Mr. President: The Honourable Member is getting too far from the University of Delhi.

Mr. K. Ahmed: Therefore, Sir, in the University where all these things are required, I do not think any of my friends, both Dr. Gour and Dr. Nand Lal, would object to them. I am told, Sir, Dr. Nand Lal is associating with people very much and indeed getting his social education accomplished properly from this Institution. We find he is progressing gradually and I do not see why that principle should not be applied with regard to other people, especially in the province of Delhi. Probably he did not mean what he had said. My notion of education is quite different and that by passing an examination after reading two or three books is no education at all. Sir, without entering into any further discussions with regard to the curtailment of any amount, I think we have had many cuts in the other subjects, and I do not think we should be unfair with regard to this grant. And I hope Dr. Gour as the Vice-Chancellor of this University will realise and appreciate the situation so that the people of this province who have got the University here will feel that they are actively taking part in it.

The Honourable Mr. A. C. Chatterjee: Sir, we have had an extremely interesting speech from my Honourable friend Mr. Kabeer-ud-Din Ahmed. I have no desire to enter into the merits of that speech and I have no doubt that the Honourable the Vice-Chancellor of the Delhi University will profit by the admonition that has been given to him by Mr. Kabeer-ud-Din Ahmed. Nor, Sir, do I wish to be lured into a discussion with my Honourable friend from Orissa regarding the attitude of the Government of India towards the Patna University. You, Sir, ruled him out of order. Still he managed to put in a plea on behalf of a province which is always crying for more funds and for more assistance from the Government of India. My Honourable friend Mr. Abul Kaseem and also my Honourable friend Mr. Mahmood Schamnad referred to the question of Mussalman representation on the Court of the Delhi University. That is a matter, Sir, which does not at present concern the Government of India, but I can promise my Honourable friends that I shall bring their views to the notice of His Excellency the Chancellor. I think, Sir, I may take it that the House in general approves of the grant to the Delhi University. ("Hear, hear" and cries of "Yes.") I have nothing more to say except that with regard to the cuts in the grants for Education generally, that is to say, grants for the Delhi Colleges and the Secondary Schools, I can only promise that the views of the House will be taken into consideration.

Dr. H. S. Gour: Sympathetically.

Mr. T. V. Seshagiri Ayyar: On that assurance, I withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

"That a sum not exceeding Rs. 28,33,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Delhi'."

The motion was adopted.

DEMAND NO. 41—CIVIL WORKS.

Colonel Sir Sydney Crookshank (P. W. D. Secretary): Sir, I beg to move:

"That a sum not exceeding Rs. 1,16,37,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Civil Works'."

Honourable Members will find on a reference to page 121 of the Demands for Grants that this figure which I have just given them, is short by Rs. 11 lakhs of the original figure which was inserted in this demand. The reductions effected under that figure of Rs. 11 lakhs have been distributed—or rather it is proposed to distribute them—as follows:—From the allotment of Rs. 10 lakhs for the Forest Research Institute at Dehra Dun, a reduction of Rs. 2 lakhs; from the Agricultural Research Institute at Pusa, Rs. 1 lakh; from the School of Mines and Geology at Dhanbad, Rs. 2 lakhs; from Repairs generally, Rs. 3½ lakhs; from Minor Works, Establishments and Miscellaneous, Rs. 2½ lakhs; total Rs. 11 lakhs. Honourable Members will no doubt realise that seeing that the demands received by us from Provincial Governments and Local Administrations under the head Civil Works amounts to no less than Rs. 338 lakhs, the reductions which we have effected, by which the grant now stands at Rs. 124 lakhs, plus Rs. 52 lakhs for the roads in Waziristan, is a very small demand to make, and, in the circumstances, having consideration of the fact that there are practically no demands for original works not in progress, and that we shall have to reduce very heavily the provision which we usually make for minor works and repairs, the demand which I now place before the House is a bed-rock demand and will, I hope, be accepted *in toto*.

Khan Bahadur Sarfaraz Hussain Khan: I wish to move amendment No. 527*.

Mr. President: The Honourable Member must put it in a form in which I can conveniently put it to the House. What I want is a sum that can be deducted from the main sum of the estimate and not to search the accounts of last year to find out what sum it is that the Honourable Member wants to deduct.

Colonel Sir Sydney Crookshank: Perhaps I can explain to the Honourable Member what the actual position is. I think he refers to the figure of Rs. 1,98,000 which stood against the item Reserve for last year's Budget Estimates. But I should like to point out to him that that figure was not actually acted upon as the reserve for the Public Works Department in the current year 1922-23 actually stood at Rs. 11,49,000 at the commencement of the year. This year in consultation with the Finance Department we have fixed our reserve at Rs. 6,77,000, and as a general rule it stands at Rs. 10 lakhs.

* "That the provision under sub-head Reserve under the head 'Civil Works' (page 121) be reduced to the estimate of 1922-23."

Khan Bahadur Sarfaraz Hussain Khan: I do not move my amendment.

Mr. N. M. Samarth: I move:

"That the demand under the head 'Civil Works' including expenditure in England be reduced by Rs. 87,25,080."

I will not make a speech. I have already said that these are amounts required not for repairs but for original works and should be transferred to the Capital account. Rs. 52 lakhs of them are for Waziristan and there are other items charged to revenue the total amount of which is Rs. 92,82,000. I deduct interest at 6 per cent., which amounts to Rs. 5,56,920, and the remaining Rs. 87,25,080 is the amount by which I want a reduction. The reduction to be made is this that this amount be transferred to the Capital account and the interest that I have mentioned, that is, Rs. 5,56,920, be made chargeable to Revenue.

Mr. Ashruft O. Jamall (Bengal: Nominated Non-Official): Sir, I rise to support the motion just now moved by my Honourable friend, Mr. Samarth. On the 6th instant I made a remark in this House that there were some charges made to revenue which should go to capital account. I understand from the Honourable the Finance Member that those charges which are of an unproductive nature should not be taken to capital but should be taken to revenue. He went as far as saying on Sir Montagu Webb's remarks that it would be faking accounts. With due respect to his high authority I beg to differ. Take the case of a building of a factory. You have the main building of a factory in which you put your machinery. Take the cooly lines that you build for a factory. The main building or the cooly lines or barracks are all unproductive, but do you carry them to revenue account? Certainly not. It all goes to capital in the ordinary course. Take the four walls of a building that you erect. Do you carry that to revenue? No. It is unproductive, but goes to capital account. Sir Montagu Webb rightly remarked the other day that if our pockets were full, if we were not asked to put fresh taxation, then if we charged this to revenue it would be different but in the present condition of the country's finances when we are faced with a deficit budget, I think that such charges should go to capital account and not to revenue expenditure. With these remarks I support the amendment of my Honourable friend, Mr. Samarth.

The Honourable Sir Basil Blackett: I should like Members of the House to imagine themselves in possession of a lakh of rupees which they want to invest. They receive a prospectus from a company which is appealing for subscriptions for a crore. It is going to spend that crore in putting up a factory which is going to produce no revenue. It is not the crore that is going to produce the revenue though there may be other things which go to produce the revenue. They do not pretend it is productive. Would anybody invest capital in such a company? They would invest their capital in a company that was re-productive. Is a road in Waziristan reproductive expenditure? How can it be regarded as capital expenditure? I have already expressed myself at great length on this subject and I do not wish at this time of the day on the last day of the discussion of the Estimates to reopen the controversy about charging certain items to revenue or to capital. I have stated that I would be no party to faking the estimates and I stand by that statement. We have got a deficit this year which we are trying to cover. If we do not cover it we end the year with a

increased amount of unproductive debt. If we say that a certain amount of our expenditure on public works and other things ought to be charged to capital and we proceed to charge it to capital and we do not attempt to cover it with revenue, at the end of the year we have got an increase in our unproductive debt. I appeal to the House—what is the difference between that and budgeting for a deficit? It is really silly to pretend in a year of this kind that you can balance your budget, when you are in difficulties, by calling a spade a potato. If you call it an agricultural implement, you may be a little nearer the truth but what you are suggesting in this case is that something that is obviously unproductive, that obviously yields no revenue should be treated as if it were a reproductive, useful asset in which you are investing money for the benefit of future generations. If the money we invest is going to earn revenue for the next generation, there is something to be said for charging it to capital and if the next generation is going to get the benefit of the revenue, there is no reason why it should not pay for a certain amount of the interest. If there is no revenue coming from it, why should you charge posterity with the expense of keeping up the unproductive building as well as with the cost of paying interest on the original capital cost? Posterity may have done nothing for us, but we have given a hundred crores deficit to posterity; is not that enough?

Sir Montagu Webb: I should like to say a word or two in support of Mr. Samarth's motion. It is perfectly true that roads in Waziristan are not likely to yield anything in the form of revenue, but I think we might look at the problem in this way: The system of finance which has been adopted during the last four or five years has been of a most severe character. This unfortunate country has had to pay for the whole of the last Afghan war, the whole of the recent expeditions on the Frontier out of current revenues; and now we are asked to pay still more for building roads, barracks, and other buildings into this God-forsaken place Waziristan, and all out of revenue. (*The Honourable Sir Basil Blackett:* "Not all out of revenue.") As far as I can see, Sir, all out of revenue. (*The Honourable Sir Basil Blackett:* "A hundred crores out of deficits of the last few years.") The deficits of the past years, Sir, have been filled by borrowing and by—I will not permit myself to use the expression "faking" the currency,—but by, shall we say, enlarging the paper currency. Well, Sir, that is equal and tantamount to borrowing. But the point I desire to put before this House is that this is very severe finance. I think it is not at all unreasonable, if we have to incur excessive expenditure in times of difficulty, to suggest that this expenditure especially capital expenditure, should be spread over a series of years rather than placed—all of it, into our current revenue budget when we frankly have not got the money to pay for it. For that reason, Sir, I think there is a very good argument indeed for spreading this excessive expenditure on the Frontier over a series of years, and I myself should see no harm whatever in the circumstances in putting a certain amount of capital outlay now being expended in Waziristan into capital and leaving posterity to bear some small portion of that outlay. For that reason, Sir, I support Mr. Samarth's amendment.

Sir Deva Prasad Sarvadhikary: Sir, the hand of the clock is moving forward and I see Sir Basil Blackett's spirits are rising. Phoenix-like immobility of expression, now and again brightened by *Omar Khayyam* like twinklings of the eye, is disappearing and we are repeatedly warned against

[Sir Deva Prasad Sarvadhikary.]

"faking." The Assembly is also beginning to be guilty of what is called by the Finance Member silly things. Luckily His Excellency the Commander-in-Chief is not here, otherwise he would not have very much relished the idea of having called the Waziristan investments a profitless and unprofitable concern. Because "posterity has done nothing" for Sir Basil Blackett, as he puts it, he would not like posterity to pay. But posterity will or ought at least to pay for security, if there is real security in the matter. What is the one reason of our becoming "silly," as we have been charged to-day? We have had the whole philosophy of "lag" dumped down for our benefit and laggards have been tolerated and encouraged. I see Sir Basil Blackett worships with me at a common shrine and that is wisdom bubbling Punch. He gave us a dose of Punch in his opening speech. I should like to give him another. He may have seen a recent cartoon in 'Punch' about incorrigible and habitual sitters-out who are a nuisance and enterprising hostesses have been advised to provide for a moving stairway on which these sitters-out dump themselves down when they ought to do otherwise. What the Finance Member should have done as soon as he took charge of the entertainment, was to provide this moving stairway and get his habitual sitters-out on it, not to allow them lag to the extent he has permitted but to compel them to give effect to as much of the Incheape reductions as possible. Because that has not been done, because we have to meet what, to borrow Sir Basil's language, may be called a "faked" deficit, we are drifting to all sorts of shifts. He reminded the House that the Provincial Governments are fond of their little baby deficits which they want to nurse and display by way of exciting commiseration. Some Member here asked whether the Government of India itself was not doing the same, and now that he is within a few minutes of having everything his own way the Finance Member reminds the House that profitless and unprofitable investments like those in Waziristan ought not to be paid for by posterity, because, some old number of Punch had probably taught him that posterity had done nothing for us.

The Honourable Mr. B. N. Sarma: Sir, I think it is my duty to point out that the Waziristan expenditure amounts to only 49 lakhs and odd as against the 87 lakhs proposed to be transferred to the head "Capital" by means of reduction under this head. That is one point, and the other point is that the whole of the Public Works accounts and the principle on which that expenditure is being incurred for the last so many years, proceed on the assumption that we should look to Revenue for items of an unproductive character. Many of these items, Kabul Legation and many of these roads, etc., are of an unproductive character and it would be dangerous to transfer all of them to the head "Capital".

Mr. President: The original question was:

"That a sum not exceeding Rs. 1,16,37,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Civil Works' including expenditure in England."

Since which a motion for reduction has been made:

"That the demand under the head 'Civil Works' including expenditure in England be reduced by Rs. 87,25,000."

The question is that that reduction be made.

The Assembly divided :

AYES—47.

Abdul Majid, Sheikh.
Abdul Quadir, Maulvi.
Abdulla, Mr. S. M.
Agarwala, Lala. Girdharilal.
Ahmed, Mr. K.
Aiyer, Sir P. S. Sivaswamy.
Asjad-ul-lah, Maulvi Miyan.
Ayyangar, Mr. M. C. M.
Bagde, Mr. K. G.
Barodawalla, Mr. S. K.
Barua, Mr. D. C.
Basu, Mr. J. N.
Bhanja Deo, Raja R. N.
Bhargava, Pandit J. L.
Das, Babu B. S.
Faiyaz Khan, Mr. M.
Gajjan Singh, Sardar Bahadur.
Gulab Singh, Sardar.
Iswar Saran, Munshi.
Jafri, Mr. S. H. K.
Jamall, Mr. A. O.
Jannadas Dwarkadas, Mr.
Jatkar, Mr. B. H. R.
Joshi, Mr. N. M.

Lakshmi Narayan Lal, Mr.
Latthe, Mr. A. B.
Mahadeo Prasad, Munshi.
Mudaliar, Mr. S.
Muhammad Ismail, Mr. S.
Mukherjee, Mr. J. N.
Nag, Mr. G. C.
Nayar, Mr. K. M.
Neogy, Mr. K. C.
Ramayya Pantulu, Mr. J.
Reddi, Mr. M. K.
Samarth, Mr. N. M.
Sarvadhikary, Sir Deva Prasad.
Sassoon, Capt. E. V.
Schamnad, Mr. Mahmood.
Singh, Babu B. P.
Sinha, Babu Ambica Prasad.
Sinha, Babu L. P.
Sohan Lal, Mr. Bakshi.
Subrahmanayam, Mr. C. S.
Venkatapatiraju, Mr. B.
Vishindas, Mr. H.
Webb, Sir Montagu.

NOES—48.

Abdul Rahim Khan, Mr.
Abdul Rahman, Munshi.
Abul Kasem, Maulvi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Ahsan Khan, Mr. M.
Aiyar, Mr. A. V. V.
Akram Hussain, Prince A. M. M.
Allen, Mr. B. C.
Amjad Ali, Maulvi.
Ayyar, Mr. T. V. Seshagiri.
Blackett, Sir Basil.
Bradley-Birt, Mr. F. B.
Bray, Mr. Denys.
Brayne, Mr. A. F. L.
Bridge, Mr. G.
Chatterjee, Mr. A. C.
Chaudhuri, Mr. J.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Faridoonji, Mr. R.
Gidney, Lieut.-Col. H. A. J.
Ginwala, Mr. P. P.
Girdhardas, Mr. N.

Haigh, Mr. P. B.
Hailey, the Honourable Sir Malcolm.
Hindley, Mr. C. D. M.
Holme, Mr. H. E.
Hullah, Mr. J.
Ikramullah Khan, Raja Mohd.
Innes, the Honourable Mr. C. A.
Jejeebhoy, Sir Jamsetjee.
Kamat, Mr. B. S.
Ley, Mr. A. H.
Lindsay, Mr. Darcy.
Mitter, Mr. K. N.
Moir, Mr. T. E.
Muhammad Hussain, Mr. T.
Nabi Hadi, Mr. S. M.
Nand Lal, Dr.
Percival, Mr. P. E.
Ramji, Mr. Manmohandas.
Rhodes, Sir Campbell.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Mr.
Singh, Mr. S. N.
Townsend, Mr. C. A. H.
Willson, Mr. W. S. J.

The motion was negatived.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): My amendment is:

"That the demand under the head 'Civil Works' including expenditure in England be reduced by Rs. 5,00,000."

Although my motion is for a reduction of 5 lakhs, I wish with your permission to move for a reduction of one rupee only, and my object in doing so is this. The Province of Bihar and Orissa is known as the youngest Province and Honourable Members are well aware of it. I think that is

[Mr. B. N. Misra.]

the reason why we have been given a seat very near the Chair, very near the Honourable the Government Members, so that they will protect us with much more care. But unfortunately, Sir, you will find the cruelest cuts which have been made by Sir Sydney Crookshank have been directed against this youngest of the Provinces. He mentioned to this Honourable House that he has made a cut of Rs. 11 lakhs and out of that amount he wants to cut one lakh for the Pusa Institute and two lakhs for the building for the School of Mines at Dhanbad. I submit, Sir, that, although Bihar and Orissa is the youngest province in India, it is the richest province with its hidden wealth. Honourable Members are well aware of the coal mines of Jherriah, Dhanbad and the recently discovered coal mines at Talchar. They are aware also of the Tata Iron Works at Jamsedpur and so many other mines that exist in the Hill Tracts of Orissa in the province of Bihar and Orissa. Sir, Honourable Members want to develop industry and to open up the resources of the country. Unless there is a School of Mines and Geology at Dhanbad, this object cannot be achieved. (*Cries of "Withdraw, withdraw."*) Sir, the province of Bihar and Orissa is not only the youngest province but it is also known to be the poorest province. I submit that the Honourable Sir Sydney Crookshank ought to find the 3 lakhs from elsewhere and not give this cut to this the youngest province. (*Cries of "Withdraw, withdraw."*) No, Sir, I will not withdraw. My province is vitally interested in mines and we have no other wealth. Honourable Members want money and where are they to get it unless they open up the resources of the country and the best way to open the resources of the country is by having a School of Mines in a place which is full of these mines. Sir, I implore the Honourable Members of this House to remember that at least this item should not be cut and that the School of Mines should be built as early as possible. The Government of Bihar and Orissa cannot do it. The work has been taken up by the Central Government. I earnestly request Sir Sydney Crookshank and the Department not to make this cut, as the work is shown to be in progress and has been sanctioned. If the Honourable Member wants the money he should find it from anywhere else, and not make this cut.

The motion was negatived.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,16,37,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Civil Works' (under the control of the Public Works Department)."

The motion was adopted.

DEMAND NO. 56—EXPENDITURE IN ENGLAND UNDER THE CONTROL OF THE SECRETARY OF STATE FOR INDIA.

Mr. President: The question is:

"That a sum not exceeding Rs. 14,82,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Expenditure in England under the control of the Secretary of State for India'."

The motion was adopted.

DEMAND No. 57—EXPENDITURE IN ENGLAND UNDER THE CONTROL OF THE HIGH COMMISSIONER FOR INDIA.

Mr. President: The question is:

"That a sum not exceeding Rs. 77,88,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March 1924, in respect of 'Expenditure in England under the control of the High Commissioner for India'."

The motion was adopted.

DEMAND No. 58—EXPENDITURE CHARGED TO CAPITAL IN RESPECT OF RAILWAYS.

Mr. President: The question is:

"That a sum not exceeding Rs. 38,61,93,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Expenditure charged to Capital in respect of Railways'."

Mr. B. Venkatapatiraju: Sir, as His Excellency the Viceroy has not acceded to our request for more time to discuss these demands, we are hastening to take all these together in a few minutes. I suggest that there should be a reduction of 10 crores in the provision under the head Railways (page 288), but as there are several amendments for a reduction of Rs. 8,61,00,000, I move for the reduction of Rs. 8,61,00,000.

The Incheape Committee suggested that we should not waste our money even though it was available for us on unremunerative Railway lines. I shall read only one sentence from that Report which will convince every one that it is useless to spend money merely because it is available. At page 78 they say:

"This being so, we cannot believe that it is legitimate under any circumstances to put Rs. 67 crores of capital, borrowed at a high rate of interest, into lines which are already a very heavy drain on the resources of the State and we recommend that, except in case of commitments already entered upon, no further capital expenditure be incurred on these lines until the whole position has been examined by the Financial Adviser and reviewed by the Government."

They suggest that the money could with advantage be devoted to the construction of new lines promising an adequate return.

I will just mention that, leaving aside the amount which is shown as capital expenditure, if you take proper account of the amount already spent out of our revenues we have lost something like 68 crores, and if interest is added to that, it amounts to 300 crores. Apart from that amount we have to realise not less than 35 crores on the admitted capital outlay whereas we are realising from 28 to 30 crores. How can we profitably employ more funds, unless we can show a better return? Therefore under these circumstances I appeal that the amount be reduced by Rs. 8,61,00,000.

The Honourable Mr. C. A. Innes: Sir, I sincerely hope that the House will not accept a motion of this kind moved in such hurried fashion. I would remind the House that only last year we decided in this Assembly that we should amend our ways in regard to railway capital expenditure. We have received, only just received, the very important report of the Acworth Committee. The whole burden of that Report was a protest

[Mr. C. A. Innes.]

against the way in which the railways had been financed. They described it, not exactly in those terms, but they suggested that the railways had been financed in a hand-to-mouth fashion. They (the railways) never knew at the time when the year was about to commence what money they were to receive for capital expenditure. The Committee laid the greatest possible stress that there should be no lapse of allotment from year to year in order that the railways might proceed with their capital expenditure on a definite orderly programme. The House therefore, again following the Acworth Committee, decided that this programme of 80 crores a year should be embarked upon for a period of five years in order that the railways might be rehabilitated.

I need not repeat what I said on Tuesday regarding the appalling state into which our railways have been allowed to get and regarding the paralysing effect which the deficiencies of our railways have had upon the trade and the transport and commerce of our country. It was only last year we came to that decision. In the first year it was inevitable that we could not spend the whole of the allotment. That allotment has been carried on to the year 1923-24; and now it is proposed to destroy those programmes altogether, to throw the whole thing into the melting pot by making a cut of not less than 8 crores. If that is done, I ask the House in all seriousness, what reputation for political stability will this House have, and what guarantee we who are trying to run the railways will have that ever again we can look to the stability of our system of finance? Again we are going back to the old hand-to-mouth system; again the railways are going to be sacrificed to the exigencies of the general financial position. I ask this House, are they going to place us in a position of that kind, and if so, what the position of those who are trying to run these railways will be in the future? It is perfectly true that, according to the recommendations of the Inchcape Committee, as soon as we have that Financial Adviser, we will re-examine these programmes. As a matter of fact we have already taken that matter in hand; the Agents of all the railways are coming to Delhi next week and we propose to re-examine those programmes; owing to the cuts which we have had to make in programme revenue expenditure it is unlikely that we shall be able to spend all these 38 crores next year, and we will re-examine these programmes and if we see our way in the light of that re-examination to inform the Finance Department of a probable saving in capital expenditure, the House may rest assured that we shall inform the Finance Department accordingly. I would point out to the House that by making this cut they are not in any way going to affect the revenue budget for the next year; they are not in any way going to reduce the budget; all you are going to do is to throw the programmes of capital expenditure which we have embarked upon with the fullest concurrence and authority of this House, to throw them into most utter confusion. I suggest that the wise plan is to leave it to us. You have got this Inchcape Committee's Report; we propose to re-examine the whole matter in consultation with the Agents and in consultation with the Financial Adviser. That is a wise position for this House to take up, and I hope that the House will not accept this motion.

Mr. B. S. Kamat: Sir, it is necessary just to say a word or two in reply to the Honourable Mr. Innes. It is perfectly true that the Acworth Committee advised a large expenditure on the Railways; it is perfectly true also that this Assembly has committed itself last year to a capital

expenditure of 30 crores per annum. But we have to act each year according to the financial exigencies of the times, and if we ask that Rs. 38,61 lakhs should not be spent this year, it does not mean that the view of this Assembly is to give up the principle of lapses. The only reason is that the Inchcape Committee's Report which came on top of the Acworth Committee's Report has shown clearly to this House that there is a surplus of engines, there is a surplus of rolling stock in certain cases on the railways, and a mere windfall of 38 crores would be misspent during the next year, if we do not curtail it by 861 lakhs; we have enough engines and enough rolling stock, and it is unnecessary, therefore, to purchase more engines and more rolling stock unless it has been shown to us to our satisfaction that this expenditure on engines and other things is necessary in 1923-24. Then again if we save 861 lakhs, we save a great deal of interest; and I think taking this year's deficit and other points into consideration we would be perfectly justified in withholding this 861 lakhs, not because we want to give up the policy of spending on railways but because the railways have enough of stock and enough of engines and other material to go on with.

Sir Montagu Webb: Sir, I oppose this amendment; it is perfectly true that the Inchcape Committee have recommended certain investigations and possible savings in certain directions; but they do not recommend any cutting down of capital expenditure as a whole; and while further investigation will no doubt show that it may be possible to save in certain directions, I have no doubt that investigation would prove that it will be wise to spend more in other directions. I would ask the House, therefore, to reject this amendment.

Sir Campbell Rhodes: Sir, I am sorry to disoblige my friends, but I am afraid I cannot let this go with a silent vote. I remember a short time ago a very important committee meeting in Calcutta and discussing this question and after long argument coming to a decision which I think was unanimous and which included some of the most distinguished Members of this House of all parties, that during the next five years a sum of Rs. 150 crores should be set aside for the rehabilitation of the lines. If the proposition before the House is that the North-Western Railway should be abolished as an unremunerative line, as a representative from Bengal, I do not think I have any objection to raise. But I do say as regards the lines on our side of India, that 30 crores a year are absolutely insufficient. If any Member will travel down from Delhi to Calcutta, he will find at every siding station one, or very often, two goods trains waiting to let the Punjab Mail pass. These trains contain coal very largely for up-country industries. The coal position is getting serious. If Honourable Members will take the trouble to read the speech of the President of the Indian Mining Association in the paper this morning, they will see there a reference to the desperate position into which the industries of India are getting owing to the lack of facilities both for opening up new coal fields and for developing those we have. I think Honourable Members will agree with me that the industries of this country are closely connected with the coal supply. As I pointed out, Sir, in the Fiscal Commission debate, sea freights are falling month by month, and against that we are putting up our railway freights, we are destroying our railway facilities, and we are not enabling our Indian industries to compete with imported goods. Our consuming centres are very largely at the ports.

[Sir Campbell Rhodes.]

I can mention, for instance, sugar. We are preventing the sugar growers of the central portions of India from competing in the Calcutta market. The freights from Java are very low. Honourable Members by refusing this grant will be helping the foreigner against our own industries, and with what advantage, I cannot say, because the money that can be invested in railways is not unremunerative; it will pay its own interest if properly invested and it will do more, and I am rather surprised that Honourable Members who have been with me on the Fiscal Commission and who have investigated this question of railway facilities should now come forward and say we do not want our railways.

Mr. T. V. Seshagiri Ayyar: I never said that.

Sir Campbell Rhodes: It is well known, Sir, that all railway development was stopped during the war, that we are years behind, that our rolling stock is in a hopeless condition and that rehabilitation is absolutely essential, and I quite agree with the Retrenchment Committee that, while it may be undesirable to spend money at the present high rate of interest where there is no hope of a return, surely it is an ordinary commercial proposition to invest money where there is not only a return to the railways, but what is still more important, a valuable return to the industries of the country. If this amendment is going to be passed, I think Honourable Members might as well throw the Fiscal Commission Report into the waste-paper basket, because that Report dealt very fully with this question, and it pointed out that protection was useless unless we have something to protect, and if we are to starve our lines of communications, we are going to starve our own industries, and we are rapidly bringing about a time when the coal position will become absolutely intolerable and the whole industry of the country will be turned upside down. Sir, I strongly object to this amendment.

Mr. O. D. M. Hindley (Chief Commissioner, Railways): Sir, I am not quite sure whether to take this trifling cut which is proposed of 8 crores as a vote of censure on my Department or as a practical measure for reducing the commitments of India during the ensuing year. I am inclined to think from the speeches which have been made in favour of making this cut that the intention probably is to express disapproval of the way in which the Railways have been run. Well, Sir, I have been through a good deal of this during the last two or three days and, in comparison with the proposal for a vote of censure by moving a reduction of one rupee which the House was good enough to reject, this proposed cut of 8 crores regarded as a vote of censure really leaves me cold.

I should like to take up one or two points in Mr. Kamat's speech. He says that the Retrenchment Committee have shown that there are surplus engines, surplus wagons, and surplus everything else, which are not being properly used. Now, Sir, I think perhaps, in reading the Retrenchment Committee's Report, Honourable Members may have been misled in one respect, not noticing that the figures referred to were those mainly of 1921-22. There can be no doubt whatever that the position is rapidly changing now. Our traffic earnings are improving week by week and the need for engines and wagons for railway facilities is increasing as it was increasing in the years before. We certainly had bad years, we had bad traffic years, but there is little doubt that we are on the eve of

large traffic developments. Now, Sir Campbell Rhodes has shown the position in the coalfields. He has also referred to the sugar position and I believe there is no Honourable Member here who has any experience of Railways and the effects of railway working on the trade of the country who will not agree that the Railways at the present time are unable to effectively move the traffic which is offering. If and when we have another revival of trade, such as a large movement of wheat or a revival of the coal output in the collieries, we shall be in exactly the same position as we were in a few years ago when the Railways were impossibly congested, and I say that this is not the time, when we are on the eve of a development of traffic, this is not the time to curtail our expenditure on development.

In regard to the practical effects of a cut such as some Honourable Members propose to make, it must be remembered, and anyone who has taken the trouble to read through Appendix C will see at once, that the amount which we are budgeting to spend in this year forms part of a series of practical measures of development. It is not that we are just taking this year by itself and saying "We will buy so many engines and so many wagons." What we have got in our budget this year is part of a continuous scheme of development, and, if this cut is to be made now, as the Honourable Mr. Innes has pointed out, immense damage will be done to the orderly progress of these programmes. Not that, as someone mentioned the other day, it will cause me inconvenience; I don't mind that a bit. But it will cause inconvenience to the proper working out of our schemes of development.

Mr. President. The original question was:

"That a sum not exceeding Rs. 38,61,93,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Expenditure on Railways charged to capital'."

Since which a motion for reduction has been moved:

"That the provision for construction of State Railways under the head 'Railways' be reduced by Rs. 8,61,00,000."

The question I have to put is that that reduction be made.

The Assembly divided

AYES—31.

Abdul Majid, Sheikh.
Abdulla, Mr. S. M.
Agarwala, Lala Girdharilal.
Ahmed, Mr. K.
Asjad-ul-lah, Maulvi Miyan.
Ayyangar, Mr. M. G. M.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Basu, Mr. J. N.
Chaudhuri, Mr. J.
Das, Babu B. S.
Faiyas Khan, Mr. M.
Gulab Singh, Sardar.
Jatri, Mr. S. H. K.
Jatkar, Mr. B. H. R.
Joshi, Mr. N. M.

Kamat, Mr. B. S.
Lakshmi Narayan Lal, Mr.
Mahadeo Prasad, Munshi.
Mudaliar, Mr. S.
Nag, Mr. G. C.
Nand Lal, Dr.
Neogy, Mr. K. C.
Reddi, Mr. M. K.
Sarvadhikary, Sir Deva Prasad.
Singh, Babu B. P.
Sinha, Babu Ambica Prasad.
Srinivasa Rao, Mr. P. V.
Subrahmanayam, Mr. C. S.
Venkatapatiraju, Mr. B.
Vishindas, Mr. H.

NOES—53.

Abdul Rahim Khan, Mr.
 Abul Kasem, Maulvi.
 Achariyar, Rao Bahadur P. T.
 Srinivasa.
 Aiyar, Mr. A. V. V.
 Aiyer, Sir P. S. Sivaswamy.
 Akram Hussain, Prince A. M. M.
 Allen, Mr. B. C.
 Amjad Ali, Maulvi.
 Barua, Mr. D. C.
 Blackett, Sir Basil.
 Bradley-Birt, Mr. F. B.
 Bray, Mr. Denys.
 Brayne, Mr. A. F. L.
 Bridge, Mr. G.
 Chatterjee, Mr. A. C.
 Clark, Mr. C. S.
 Cotelingam, Mr. J. P.
 Crookshank, Sir Sydney.
 Faridoonji, Mr. R.
 Gajjan Singh, Sardar Bahadur.
 Gidney, Lieut.-Col. H. A. J.
 Ginwala, Mr. P. P.
 Haigh, Mr. P. B.
 Hailey, the Honourable Sir Malcolm.
 Hindley, Mr. C. D. M.
 Holme, Mr. H. E.

Hullah, Mr. J.
 Ikramullah Khan, Raja Mohd.
 Innes, the Honourable Mr. C. A.
 Jamall, Mr. A. O.
 Jamnadas Dwarkadas, Mr.
 Jejeebhoy, Sir Jamsetjee.
 Ley, Mr. A. H.
 Lindsay, Mr. Darcy.
 Misra, Mr. B. N.
 Mitter, Mr. K. N.
 Moir, Mr. T. E.
 Muhammad Ismail, Mr. S.
 Mukherjee, Mr. J. N.
 Nayar, Mr. K. M.
 Percival, Mr. P. E.
 Ramayya Pantulu, Mr. J.
 Rhodes, Sir Campbell.
 Samarth, Mr. N. M.
 Sams, Mr. H. A.
 Sarfaraz Hussain Khan, Mr.
 Sassoon, Capt. E. V.
 Schamnad, Mr. Mahmood.
 Singh, Mr. S. N.
 Sohan Lal, Mr. Bakshi.
 Townsend, Mr. C. A. H.
 Webb, Sir Montagu.
 Willson, Mr. W. S. J.

The motion was negatived.

Mr. President: The question is:

"That a sum not exceeding Rs. 38,61,93,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Expenditure on Railways charged to Capital'."

The motion was adopted.

DEMAND No. 9—IRRIGATION, ETC.

Mr. President: The question is:

"That a sum not exceeding Rs. 12,97,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works'."

The motion was adopted.

DEMAND No. 13—INTEREST ON MISCELLANEOUS OBLIGATIONS.

Mr. President: The question is:

"That a sum not exceeding Rs. 3,20,93,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Interest on Miscellaneous Obligations'."

The motion was adopted.

DEMAND No. 15—AUDIT.

Mr. President: The question is:

"That a sum not exceeding Rs. 69,72,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Audit'."

The motion was adopted.

DEMAND No. 16—JAILS AND CONVICT SETTLEMENTS.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Jails and Convict Settlements'."

The motion was adopted.

DEMAND No. 17—POLICE.

Mr. President: The question is:

"That a sum not exceeding Rs. 22,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Police'."

The motion was adopted.

DEMAND No. 18—PORTS AND PILOTAGE.

Mr. President: The question is:

"That a sum not exceeding Rs. 11,08,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Ports and Pilotage'."

The motion was adopted.

DEMAND No. 19—SURVEY OF INDIA.

Mr. President: The question is:

"That a sum not exceeding Rs. 19,97,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Survey of India'."

The motion was adopted.

DEMAND No. 20—METEOROLOGY.

Mr. President: The question is:

"That a sum not exceeding Rs. 5,62,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Meteorology'."

The motion was adopted.

DEMAND No. 21—GEOLOGICAL SURVEY.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,72,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Geological Survey'."

The motion was adopted.

DEMAND No. 22—BOTANICAL SURVEY.

Mr. President: The question is:

"That a sum not exceeding Rs. 17,82,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Botanical Survey'."

The motion was adopted.

DEMAND No. 23—ZOOLOGICAL SURVEY.

Mr. President: The question is :

"That a sum not exceeding Rs. 1,10,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Zoological Survey'."

The motion was adopted.

DEMAND No. 24—ARCHÆOLOGY.

Mr. President: The question is :

"That a sum not exceeding Rs. 12,45,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Archæology'."

The motion was adopted.

DEMAND No. 25—MINES.

Mr. President: The question is :

"That a sum not exceeding Rs. 1,06,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Mines'."

The motion was adopted.

DEMAND No. 26—OTHER SCIENTIFIC DEPARTMENTS.

Mr. President: The question is :

"That a sum not exceeding Rs. 4,70,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Other Scientific Departments'."

The motion was adopted.

DEMAND No. 28—MEDICAL SERVICES.

Mr. President: The question is :

"That a sum not exceeding Rs. 7,30,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Medical Services'."

The motion was adopted.

DEMAND No. 29—PUBLIC HEALTH.

Mr. President: The question is :

"That a sum not exceeding Rs. 3,57,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Public Health'."

The motion was adopted.

DEMAND No. 30—AGRICULTURE.

Mr. President: The question is :

"That a sum not exceeding Rs. 6,61,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Agriculture'."

The motion was adopted.

DEMAND No. 31—CIVIL VETERINARY SERVICES.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,11,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Civil Veterinary Services'."

The motion was adopted.

DEMAND No. 32—INDUSTRIES.

Mr. President: The question is:

"That a sum not exceeding Rs. 44,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Industries'."

The motion was adopted.

DEMAND No. 33—AVIATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 19,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Aviation'."

The motion was adopted.

DEMAND No. 35—CENSUS.

Mr. President: The question is:

"That a sum not exceeding Rs. 25,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Census'."

The motion was adopted.

DEMAND No. 36A—INTERNAL EMIGRATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 56,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Internal Emigration'."

The motion was adopted.

DEMAND No. 36B—EXTERNAL EMIGRATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 44,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'External Emigration'."

The motion was adopted.

DEMAND No. 37—JOINT STOCK COMPANIES.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,33,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Joint Stock Companies'."

The motion was adopted.

DEMAND No. 38—MISCELLANEOUS DEPARTMENTS.

Mr. President: The question is:

"That a sum not exceeding Rs. 18,37,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Miscellaneous Departments'."

The motion was adopted.

DEMAND No. 39—CURRENCY.

Mr. President: The question is:

"That a sum not exceeding Rs. 49,68,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Currency'."

The motion was adopted.

DEMAND No. 40—MINT.

Mr. President: The question is:

"That a sum not exceeding Rs. 15,99,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Mint'."

The motion was adopted.

DEMAND No. 42—SUPERANNUATION ALLOWANCES AND PENSIONS.

Mr. President: The question is:

"That a sum not exceeding Rs. 58,44,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Superannuation Allowances and Pensions'."

The motion was adopted.

DEMAND No. 45—ADJUSTMENTS WITH PROVINCIAL GOVERNMENTS.

Mr. President: The question is:

"That a sum not exceeding Rs. 3,62,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Adjustments with Provincial Governments'."

The motion was adopted.

DEMAND No. 46—REFUNDS.

Mr. President: The question is:

"That a sum not exceeding Rs. 7,17,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Refunds'."

The motion was adopted.

DEMAND No. 47—NORTH-WEST FRONTIER.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,02,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of the 'North-West Frontier'."

The motion was adopted.

DEMAND No. 48—BALUCHISTAN.

Mr. President: The question is:

"That a sum not exceeding Rs. 26,83,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Baluchistan'."

The motion was adopted.

DEMAND No. 50—COORG.

Mr. President: The question is:

"That a sum not exceeding Rs. 13,27,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Coorg'."

The motion was adopted.

DEMAND No. 51—AJMER AND MERWARA.

Mr. President: The question is:

"That a sum not exceeding Rs. 14,67,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Ajmer-Merwara'."

The motion was adopted.

DEMAND No. 52—ANDAMANS AND NICOBAR ISLANDS.

Mr. President: The question is:

"That a sum not exceeding Rs. 41,59,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'the Andamans and Nicobar Islands'."

The motion was adopted.

DEMAND No. 53—RAJPUTANA.

Mr. President: The question is:

"That a sum not exceeding Rs. 4,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Rajputana'."

The motion was adopted.

DEMAND No. 54—CENTRAL INDIA.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,32,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Central India'."

The motion was adopted.

DEMAND No. 55—HYDERABAD.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,77,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Hyderabad'."

The motion was adopted.

DEMAND No. 59—IRRIGATION CHARGED TO CAPITAL.

Mr. President: The question is:

"That a sum not exceeding Rs. 22,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Expenditure on Irrigation charged to Capital'."

The motion was adopted.

DEMAND No. 60—TELEGRAPHS CHARGED TO CAPITAL.

Mr. President: The question is:

"That a sum not exceeding Rs. 94,30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Expenditure on Telegraphs charged to Capital'."

The motion was adopted.

DEMAND No. 61—NEW CAPITAL AT DELHI CHARGED TO CAPITAL.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,93,24,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Expenditure on New Capital at Delhi charged to Capital'."

The motion was adopted.

DEMAND No. 62—INTEREST FREE ADVANCES.

Mr. President: The question is:

"That a sum not exceeding Rs. 9,13,69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Interest free Advances'."

The motion was adopted.

DEMAND No. 63—LOANS AND ADVANCES BEARING INTEREST.

Mr. President: The question is:

"That a sum not exceeding Rs. 14,48,68,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1924, in respect of 'Loans and Advances bearing Interest'."

The motion was adopted.

SUMMARY OF CUTS IN DEMANDS.

The Honourable Sir Basil Blackett: Sir, I think it would be for the convenience of the House in view of Monday's debate on the Finance Bill if I were to sum up the position as regards Revenue and Expenditure as it stands after the voting on the Demands for Grants. I have also an announcement to make on behalf of the Governor General in Council. The

reductions that have been made by the House in the Estimates as presented are as follows :

	Rs.
Under the head ' Customs '	4 lakhs.
Under the head ' Railways,' there have been two separate cuts —	
one	50 „
and the other	1,14 „
Under the head ' General Administration '	5,10,000
Under the head ' Stamps '	100
Under the head ' Miscellaneous '	3 lakhs.

I have to announce that the Governor General in Council has decided that the cut of Rs. 114 lakhs in the Railways is one which cannot be made consistently with the discharge of his responsibilities. In regard to the other cuts, there has not been time of course for the Governor General in Council to consider the cut of Rs. 3 lakhs that was made under the head ' Miscellaneous ' to-day. But taking those cuts, the cut of Rs. 50 lakhs under Railways was agreed to by the Honourable Member in charge of Railways. The cut of Rs. 10,000 under ' General Administration ' was agreed by the House and they provided means for meeting it. The other cuts would, as I had to state to the House at the time when they were made, if it were attempted to put them into effect in full, almost inevitably make it impossible for us to carry on the General Administration, or in the case of Customs to collect the revenue which is due. The net expenditure as presented in the Budget was Rs. 130,87,92,000. A deduction of Rs. 7,27,009 has to be made from that in view of the fact that we were able to make cuts of a little over the 4 crores that I spoke of in the Budget speech. That reduces the total to Rs. 130,80,65,000. The cuts made by the House, excluding the one of Rs. 114 lakhs which I have mentioned, amount to Rs. 62,10,100, leaving the expenditure at the stage—Rs. 130,18,55,000. I have had to explain to the House that the estimates as presented were the lowest figure which having in mind the total as a whole, the Government could honestly put forward as likely to be reached in reduction of expenditure this year. We feel bound, therefore to ask that apart from that total of Rs. 130,18,55,000, which I have mentioned, and considering our deficit, we should make provision for expected supplementaries, mostly to replace the cuts that have been made, to a total of Rs. 12 lakhs. That leaves our expenditure at Rs. 130,30,55,000. As against that our revenue on the basis of taxation as it stands at present was put in accordance with the Budget speech at Rs. 126,61,71,000, leaving a deficit still to be covered of Rs. 3,68,84,000.

Mr. President: This House now stands adjourned till Eleven of the Clock on Monday morning, the 19th March, 1923. I may remind Honourable Members that arrangements have been made for an official photograph of the Assembly at 10-30 on Monday morning and I hope Honourable Members will be here before that hour.

The Assembly then adjourned till Eleven of the Clock on Monday, the 19th March, 1923.

LEGISLATIVE ASSEMBLY.

Monday, 19th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

MEMBER SWORN:

Sir Henry Moncrieff Smith, Kt., C.I.E., M.L.A. (Secretary, Legislative Department).

QUESTIONS AND ANSWERS.

RAILWAY CONNECTIONS IN WEST COAST DISTRICT, MADRAS.

572. ***Mr. Mahmood Schamnad Sahib Bahadur:** 1. Is it a fact that there is only one railway line passing through the Palghat gap, connecting the West Coast districts of the Madras Presidency with the general railway system?

2. Is it a fact that as this line was damaged during the Malabar rebellion military movements to Malabar were delayed, and hence the suppression of the rebellion was considerably delayed?

3. Do the Government propose to connect the general railway system with the West Coast railway by the construction of the long proposed Mangalore Arsikere (or rather Mangalore Hassan) line and facilitate the movements of military, etc., to the West Coast districts of the Madras Presidency?

Mr. C. D. M. Hindley: (1) Yes.

(2) The answer to the first part of the question is in the affirmative. As to the second part, in view of the fact that the damage to the Railway line in question was very quickly repaired, it cannot be said that the length of time taken to suppress the rebellion was thereby materially affected.

(3) The reply is in the negative. The position of the Mangalore Arsikere (Mangalore Hassan) Railway project is as stated in the answer given to the Honourable Member in the Legislative Assembly on 5th March, 1921.

PASSAGE CONCESSIONS TO CERTAIN OFFICERS.

573. ***Rai Bahadur G. O. Nag:** Is it a fact that in consideration of the high cost of passage to the United Kingdom certain concessions have been sanctioned for all gazetted officers of Non-Asiatic domicile to facilitate their passage home?

The Honourable Sir Malcolm Halley: The answer is in the affirmative. The concession is in the form of an interest free advance for passage money.

Mr. K. Ahmed: Could not that concession be applied to any other country, Sir, except the United Kingdom? What is the principle followed in granting the concession?

The Honourable Sir Malcolm Halley: The high cost of passages to Europe is the reason.

CONCESSIONS TO MEN RECRUITED THROUGH STAFF SELECTION BOARD.

574. *Rai Bahadur G. C. Nag: (a) Is it a fact that men from all provinces are recruited through the Central Staff Selection Board in the Government of India Secretariat?

(b) If so, will Government be pleased to state whether the grant of any concession is under consideration in respect of the different classes of officers employed in the Government of India Secretariat in view of the prevailing high rates of railway fares? If not, why not?

The Honourable Sir Malcolm Halley: (a) Yes.

(b) For journeys on duty the ordinary travelling allowance rules apply. Private journeys are, of course, not paid for by Government.

INABILITY OF SECRETARIAT STAFF TO VISIT THEIR HOMES.

575. *Rai Bahadur G. C. Nag: (a) Is the Government aware that there is a growing discontent amongst the Secretariat staff owing to their inability to visit their homes even once at long intervals?

(b) If the answer is in the negative, will Government be pleased to enquire about the matter through the Association of the Uncovenanted Service of the Government of India?

The Honourable Sir Malcolm Halley: (a) Government are not aware that this is the case. The expenditure on leave allowances would certainly indicate that sufficient leave is granted to the Secretariat establishment.

(b) The Association is of course at liberty to make any representation they may wish.

FREE PASSES AND P. T. O's.

576. *Rai Bahadur G. C. Nag: What is the total number of men (excluding the menials) belonging to the Railway Board, who are eligible for the privilege of free passes and P. T. O's.?

The Honourable Mr. C. A. Innes: 130.

COST OF P. T. O. CONCESSION.

577. *Rai Bahadur G. C. Nag: (a) Will the Government be pleased to state what will be the total additional annual cost if the concession of a P. T. O. is granted to all men of the Government of India Secretariat once a year?

(b) Will the Government be pleased to state whether this additional cost will be covered by the corresponding gain which will accrue from the abolition of the free Railway passes to which the staff of the Railway Board are at present entitled? If so, will the Government be pleased to give this suggestion a trial?

The Honourable Mr. C. A. Innes: (a) It is impossible to say.
(b) In view of reply to (a), this question does not arise.

Sir Jamsetjee Jejeebhoy: May I ask what P. T. O. means?

The Honourable Mr. C. A. Innes: I do not know.

GOODS SUPPLIED BY BIRKMYRE BROTHERS.

578. ***Mr. Manmohandas Ramji:** Will the Government be pleased to state:

- (a) the description, quantity and rate of goods supplied to Government during 1922-23, by Messrs. Birkmyre Brothers, from their own mill, and also, separately, those supplied through them from outside,
- (b) whether Messrs. Birkmyre Brothers were left the choice of supplying from their own mill, or whether Government gave the order to them after comparing the prices outside,
- (c) if the firm were left the choice, before fixing their price for their goods whether the firm had invited tenders; and if so, how their price as finally charged compare with others,
- (d) whether in the case of goods supplied from outside, before purchasing them, Messrs. Birkmyre Brothers invited tenders for those goods,
- (e) whether Government still think of obtaining expert advice from Messrs. Birkmyre Brothers, and
- (f) if the answer to (e) is in affirmative, will Government consider the advisability of fixing commission for expert advice only; and make purchases themselves directly from the open market, thus saving that portion of the purchasing commission now given to Messrs. Birkmyre Brothers?

Mr. A. H. Ley: (a) The statement desired by the Honourable Member involves details of over 400 items. A list of these items has been prepared and is available for inspection by the Honourable Member in my office.

(b) Messrs. Birkmyre Brothers had full discretion to supply the articles required from their own mill, or to obtain them from other suppliers, having due regard to the interests of Government.

(c) Government are unable to say whether in the case of every item to be supplied tenders were first called for by the firm. As they were not required to submit tenders received by them to Government, the information desired by the Honourable Member in the matter of comparative prices is not available.

(d) Messrs. Birkmyre Brothers usually invited tenders for orders entrusted to them as Government agents, but were not obliged to do so. They were at liberty to purchase as they thought best, their responsibility to Government being that of an agent to his principal.

(e) and (f) The Honourable Member is referred to the reply given on the 16th January last to part (c) of his question No. 100. Until the Indian Stores Department has been developed further, it is not proposed again to revise the contract now in force with this firm.

Mr. K. Ahmed: After the expiry of the contract of Messrs. Birkmyre Brothers, will the Government be pleased to try their level best to get a cheaper market through some other firm?

Mr. A. H. Ley: Government will consider the situation when the contract expires.

MR. V. SRINIVASA SASTRI'S WORKS ON COMMITTEES.

579. *Maulvi Miyan Asjad-ul-lah: Will the Government be pleased to state:

- (a) On what committees did the Right Honourable Mr. V. Srinivasa Sastri serve since he became a Member of the late Imperial Legislative Council and of the Council of State?
- (b) What total amount by way of travelling and other allowances has he drawn for serving on those committees?
- (c) What amount has the Right Honourable Mr. V. Srinivasa Sastri drawn for his work in connection with (1) the League of Nations, (2) the Washington Conference, (3) his recent Dominion tour?
- (d) Is it a fact that he took some one of his relations in the capacity of an assistant at the cost of the Government in his dominions tour? If so, in what capacity?
- (e) Is it a fact that the Right Honourable Mr. V. Srinivasa Sastri has been appointed to the Royal Commission recently announced?

The Honourable Sir Malcolm Hailey: (a) and (b) The Honourable Member is referred to answer No. 40, which was given by Sir William Vincent to Mr. Reddi Garu's question on the same subject during the September Session, 1921.

(c) Mr. Sastri was not deputed to the League of Nations. For the Washington Conference the following terms were sanctioned:

Honorarium £200 per month.

Hire of Car.

Outfit allowance £40.

Daily allowance 10 shillings a day while on board ship.

First class travelling expenses including Pullmans and subsistence allowance of 10 dollars daily while in the United States *plus* the cost of rooms.

Entertainment allowance of £100.

The terms sanctioned for the recent Dominion tour were—

Honorarium £200 per month.

Entertainment allowance £100.

All travelling expenses.

Subsistence allowance at £3 per day in Canada and £2 per day elsewhere when not in receipt of Government hospitality *plus* the actual travelling expenses of a servant who received a subsistence allowance of half a guinea per day.

The accounts have not yet been finally settled but the aggregate amount drawn by Mr. Sastri was approximately Rs. 32,400.

(d) The answer is in the negative. The second part of the question does not therefore arise.

(e) Government have no information. The personnel of the Commission has not yet been settled.

Munshi Iswar Saran: Is Government aware that the Right Honourable Mr. Sastri gets Rs. 125 a month from the Servants of India Society, of which he is the President just now?

Mr. President: I do not think that is a matter "within the special cognisance" of any Member of the Government.

POLITICAL CONFERENCE HELD BY MRS. BESANT.

580. ***Maulvi Miyan Asjad-ul-lah:** Will the Government be pleased to state:

- (1) Whether permission has been granted by the Government to hold the recent Political Conference of Mrs. Besant in the hall of the Eastern Hostel?
- (2) If so, whether any rent has been charged by the Government for the use of the hall under reference?
- (3) If so, what was the rent charged for the hall and the rooms occupied by the delegates who came to attend the Conference?
- (4) How many delegates actually occupied these rooms?

Colonel Sir Sydney Crookshank: (1) Permission was asked for and given to use the hall for the Conference on the understanding that no residents of the hostel objected to the use of the hall for the purpose.

(2) No rent was charged by Government for the use of the hall.

(3) 9 rooms in the Eastern and Western Hostels were occupied by delegates who came to attend the Conference. A sum of Rs. 214-15-0 is the amount of rent charged for the use of these rooms.

(4) It is not known how many delegates occupied these rooms.

Mr. Jamnadas Dwarkadas: Sir, may I correct the question asked by the Honourable Member. He refers to the Conference of Mrs. Besant. My answer to him is that it was not a conference of Mrs. Besant. It was a conference of all those who believe in parliamentary action as against direct action, and it was presided over by Sir Tej Bahadur Sapru, the late Law Member of the Government of India.

RENTS OF OFFICIAL RESIDENCES.

581. ***Mr. W. M. Hussanally:** (a) With reference to answer to question 395, will Government please state why the percentage of rent payable by officers goes on decreasing as the salary goes on increasing?

(b) Do Fundamental Rules leave it to the option of Government to charge as rent any percentage of the salary up to 10 per cent. or do they require that 10 per cent. should be charged?

Colonel Sir Sydney Crookshank: (a) The Honourable Member is referred to the concluding portion of my reply to question 395, to which I may perhaps add in explanation that, although the basic accommodation is more or less the same for senior officers and junior officers alike, the additional or more commodious accommodation required by the former does not as

a rule bear the same proportion as to cost as does the difference of salary of the former over the latter.

(b) The rules regulating rent are contained in Rule 45 of the Fundamental Rules, copies of which are available to Honourable Members in the Library of the House. Under the Fundamental Rules 10 per cent. is the minimum rent charge which can be levied when a Government residence is supplied both at Simla and Delhi unless the total of the combined rents for the period of occupation of each residence comes to less than 10 per cent. in which case the combined rents will be charged.

When a residence is supplied in one place only Government may fix on any percentage up to 10 per cent. of emoluments to be recovered as rent, or in the alternative charge the actual rent of the house if it happens to be less than 10 per cent. of the officer's emoluments.

INCOME AND EXPENDITURE OF NEW DELHI.

582. *Mr. W. M. Hussanally: (a) With reference to answer to question 396, is it a fact as stated at page 249 of the Inchcape Report that while the total income from Imperial New Delhi is 9 lakhs a year, the upkeep costs about 16½ lakhs a year?

(b) If so, what will be the total income and expenditure when all buildings and other works are completed, and what will be the net loss a year?

(c) Does this loss take account of the interest charges on capital borrowed and sunk?

(d) Do Government propose to revise rents and all other sources of revenue from New Delhi so as not only to make up this heavy annual deficit to the tax-payer but also to make up the interest charges and sinking fund upon the capital invested?

Colonel Sir Sydney Crockshank: (a) and (b). The figures of maintenance charges and receipts given in paragraph 2, page 249, of the Report of the Indian Retrenchment Committee relate to the conditions which will exist after completion of construction of the New Capital.

(c) Partially.

(d) It is not possible to say as the New Capital will not be completed and formally occupied until 1925-26.

RENTS OF QUARTERS IN DELHI.

583. *Mr. W. M. Hussanally: (a) With reference to answer to question 398, if full recovery of rent is not possible, how is it that Government neither gains or loses on these rents?

(b) Will the Government consider the question of altering the Fundamental Rules so as to recover a larger percentage with a view to save the tax-payer the heavy loss?

Colonel Sir Sydney Crockshank: (a) As implied in the reply which I gave to question No. 398, the recovery of rent sufficient to recoup Government from loss can only be effected if the house is in occupation at the full assessed rate throughout the whole year.

(b) Government do not propose to amend the Fundamental Rules in the manner suggested.

ELECTRICITY CHARGES IN DELHI.

584. *Mr. W. M. Hussanally: (a) With reference to answer to question 400, why is it that Government servants are charged only three annas per unit and others only 6 annas when the rate in the city is 8 annas?

(b) What is the cost of production including interest on capital invested, superintendence and all other charges?

Colonel Sir Sydney Crookshank: (a) The three-anna rate is a special provisional rate and is based on averages on which Government gets a reasonable margin of profit in supplying current. Private consumers are few in number at present and are charged at six annas a unit, the rate formerly charged by the local supply company, subject to certain conditions. Government do not wish to encourage those who are not Government servants to obtain their current from Government instead of from the local supply company.

(b) The information is being collected and will be given as soon as it is available.

Mr. W. M. Hussanally: Does the rate of three annas leave any margin of profit to the Government, and, if so, how much?

Colonel Sir Sydney Crookshank: In supplying current at the three-anna rate Government pays its expenses and has a small margin of profit, but I am not in a position to say exactly what profit is made. The cost of production for bulk supply is somewhere in the region of two annas per unit.

FURNITURE DEPARTMENT.

585. *Mr. W. M. Hussanally: With reference to answer to question 401, will Government please state if they propose to consider the question of transferring the Furniture Department to a private firm on certain conditions?

Colonel Sir Sydney Crookshank: No proposals in this direction are before Government and no recommendations to this effect have been made by the "House Committee" of the Legislatures. Enquiries will, however, be made from time to time as to whether any arrangements for private agency which do not cause discomfort or additional expense to tenants are feasible.

RENT OF BUNGALOWS IN DELHI.

586. *Mr. W. M. Hussanally: With reference to answer to question 402, will Government please state:

- (a) the number of bungalows leased;
- (b) what is the aggregate rent per year paid thereon;
- (c) the aggregate rent recovered thereon;
- (d) the total gain or loss;
- (e) the names of officers occupying the same;
- (f) do these officers pay rent for all the year round or only for the period of actual occupation?

Colonel Sir Sydney Crookshank: (a) 16 for migratory Officers.

(b) Rs. 39,492 which includes repair charges.

(c) Rs. 17,050

(d) Loss per annum, Rs. 22,442 maximum. This is reduced by letting these bungalows in the hot weather when possible.

(e) See list below.*

(f) For period of actual occupation.

Names of occupants.

The Honourable Mian Sir M. Shafi.

The Honourable Sir B. Blackett.

The Honourable Rao Bahadur B. N. Sarma.

The Honourable Mr. C. A. Innes.

The Honourable Mr. A. C. Chatterjee.

The Honourable Sir W. M. Hailey.

Mr. B. N. Mitra.

The Honourable Mr. E. M. Cook.

The Honourable Sir A. Muddiman.

The Honourable Mr. D. Bray.

Mr. A. V. V. Aiyer.

Mr. E. W. Baker.

Mr. S. C. Gupta.

Mr. E. Burdon.

Mr. J. McGregor-Cheers.

Mr. P. P. Hypher.

INCOME OF IMPERIAL DELHI MUNICIPALITY.

587. ***Mr. W. M. Hussanally:** With reference to answer to question 403 (c) and (d), do Government propose to levy any such taxes; and come to some understanding with the Delhi Municipality?

The Honourable Mr. A. C. Chatterjee: The question of the most suitable form of local taxation to be imposed in the Imperial Delhi Municipal Area will be considered when that area is more fully developed than it is at present and acquires a permanent population for whose benefit the proceeds of such taxation will be expended.

MOSQUES IN DELHI.

588. ***Mr. W. M. Hussanally:** (a) With reference to question 421 (3), was it a condition of the land acquisition proceedings that the repairs to mosques would be allowed only if the architectural features conformed to those of the surroundings? If not, under what authority is this condition being insisted upon?

(b) Will Government please state what were the grounds of refusal for repairs to Kalali Bagh Mosque, vide Mr. Wazir Dyal, Executive Engineer, 1 Project Division, No. 5693, dated 22nd October, 1921?

(c) Have any such applications been refused, if so, will Government please place on the table a statement thereof showing the mosques, the names of applicants, the grounds of rejection of the application?

The Honourable Sir Malcolm Hailey: (a) The answer is in the negative. Government as owner of the land has an unquestionable right to lay down conditions for buildings on its property.

(b) The detailed layout of the locality was not ready in October 1921. Since then the details of the layout have been completed, and an estimate has been sanctioned for a compound wall which actually encloses more land for this mosque than was originally attached to it. This will tend to the convenience of the users of the mosque and of the residents in this locality.

(c) The correspondence is so ephemeral in character that Government do not think it would serve any useful purpose to prepare any such statement.

MOSQUE IN RAILWAY AREA, DELHI.

589. ***Mr. W. M. Hussanally:** With reference to Railway Board's letter No. 155-W.-23, dated the 6th March, 1923, to my address communicating to me answers to questions regarding questions relating to mosques within the new station area:

(a) Will Government please order the publication of the answers?

(b) With reference to answer (b) are Government aware that they would be wounding the feelings of an important section of the community by appropriating the court-yard as proposed?

(c) Will they consider if there is no other way to save the court-yard of the mosque from the station platform?

(d) With reference to answer 2 (a), what arrangements are to be made to allow ingress and egress to the mosque at all times and at the same time ensure public safety?

The Honourable Sir Malcolm Hailey: (a) Yes.

(b) Government recognise that objection would be expressed as to this course and regret that so far it has not been successful in persuading those concerned of the impossibility of adopting any alternative.

(c) Every possible way of doing this has been considered without finding any other solution of the matter.

(d) The arrangements cannot be foreshadowed until the new Railway Station is built.

Mr. K. Ahmed: Will the Government be pleased to state in what way they have tried their level best to come to some understanding with the Muhammadan community and to please them, on the one hand, and, on the other hand, how there is no other alternative that they can take in order to satisfy Muhammadan opinion?

The Honourable Sir Malcolm Hailey: As regards there being no other alternative, I can only say that the engineers who are designing the railway station have done their best to find one and that, if this court-yard were not taken, it would involve a diversion of the line at great additional cost.

As regards the negotiations, I believe that those who are concerned have been approached in the matter and it has been suggested to them that they may receive compensation in a form which would enable them to put up a building elsewhere. Unfortunately, those negotiations have not been successful.

Mr. K. Ahmed: Will the Government be pleased to lay on the table the correspondence that passed between the Engineer, the Chief Engineer, and the Government of India showing why it was impracticable for them to do the needful, as the Honourable Member says?

The Honourable Sir Malcolm Hailey: I do not think any correspondence has taken place between the Executive Engineer and the Government of India.

Mr. K. Ahmed: May I ask how and under what circumstances the Government of India was in a position to come to that conclusion, as it has been answered in this Assembly that they could not adopt any other way but to adopt the principle they have adopted in order to save the courtyard of the mosque?

Mr. President: I think that is a little too complicated for a supplementary question.

Mr. K. Ahmed: Is the Honourable the Home Member satisfied that neither the Chief Commissioner nor the Government of India had any other alternative method open to them?

Mr. President: The Honourable Member is already aware that the Home Member is satisfied with the course taken.

VOTING BY NON-OFFICIALS.

590. ***Mr. Mohammad Faiyaz Khan:** Will the Government be pleased to state if it issues instructions to the non-official nominated Members of the Legislative Assembly regarding their voting and other matters?

The Honourable Sir Malcolm Hailey: The reply is in the negative.

Rai Bahadur Bakshi Sohan Lal: Sir, does the Government issue instructions to official Members of the Assembly to give their votes in a particular manner?

The Honourable Sir Malcolm Hailey: Official Members are, of course, under the ordinary obligation of officers of Government to support the Government to the best of their ability at all times and in all places.

Lala Girdharilal Agarwala: Does that apply to social legislation like Dr. Gour's Bill?

Mr. President: That question does not arise. The Honourable Member can study the division lists and satisfy himself?

QUESTION OF FREE VOTING.

591. ***Mr. Mohammad Faiyaz Khan:** (a) Is it true that one or two non-official nominated Members of the Legislative Assembly were brought to task by the heads of their District or Division on their return to their homes, for having given their votes against the Government wishes according to their free will?

(b) If the above statement is true, will the Government consider the question of stopping this practice and allow the non-official elected and nominated Members of the Assembly to vote according to their wishes and conscience?

The Honourable Sir Malcolm Halley: (a) Government have no information.

(b) No restrictions have been imposed by Government on the voting of non-official Members of the Assembly.

I should like to do it.

MILITARY PASSES ON RAILWAYS.

592. ***Mr. Mohammad Faiyaz Khan:** (a) Is it true that British soldiers while on leave are granted second class passes on the Indian Railways?

(b) If it is true, are the Indian soldiers too granted second class Railway-passes?

Mr. E. Burdon (a) No.

(b) The question does not arise.

BOMBING ON FRONTIER TRIBES.

593. ***Mr. Mohammad Faiyaz Khan:** What has been the cost of bombing the Frontier tribes by aeroplanes?

Mr. E. Burdon: The attention of the Honourable Member is invited to part (ii) of the reply given on the 23rd January to Mr. Kamat's question No. 258.

Mr. K. Ahmed: Is there any prospect of getting any profit out of this inhuman work of bombing people on the Frontier?

ARMS ACT EXEMPTIONS.

594. ***Mr. Mohammad Faiyaz Khan:** When is the Government going to allot a day for discussing the non-official Resolution regarding the life exemption from the operation of the Arms Act of the Members of Indian Legislature signed and sent by so many Members?

The Honourable Sir Malcolm Halley: The Government do not propose to allot any official time for the discussion of the Resolution referred to by the Honourable Member; but if the Government can give up any official time during the present Session they are prepared to allot such time for the discussion of one or two non-official Resolutions to be selected by a ballot held in the usual way.

THIRD CLASS BOOKING OFFICE AT SHOLAPUR.

595. ***Mr. B. S. Kamat:** (i) Will Government be pleased to state if it is contemplated by the Great Indian Peninsula Railway administration to abolish their third class passengers Booking office situated in Sholapur city in Bombay Presidency?

(ii) Are Government aware of the keen feeling of disapproval with which any such proposal of the Railway is looked upon by the large population of Sholapur on the ground of great public inconvenience which is likely to be caused to the commercial community and the public at large?

(iii) Will Government be pleased to say if they have received any representation on this subject and, if so, what steps they have taken in the matter?

The Honourable Mr. C. A. Innes: (i), (ii) and (iii) Government have received no representations and have no information on the subject. They assume that if the third class booking office in Sholapur City is being abolished, this is being done on grounds of economy and retrenchment. Government fear that owing to the reductions which have been made in the working expenses of the current year, many economies of this kind may have to be effected.

PARTY "WHIPS" IN ASSEMBLY.

596. ***Mr. Mohammad Faiyaz Khan:** (a) Are the Government aware that there are some of the official Members of the Legislative Assembly as chief whips of a party formed by them?

(b) If the Government are so aware will it be pleased to name these gentlemen?

(c) Was any permission granted to them?

(d) On account of their being officials and official Members of the Government, are the Government aware that there is every likelihood of undue influence by them on the non-official Members while voting?

The Honourable Sir Malcolm Hailey: The answer is in the negative.

Mr. K. Ahmed: Sir, the Honourable Mr. Allen and my Honourable friend from Bombay with spectacles on,—Mr. Haigh,—may not be Chief Whip for Government, but there are some energetic Members who in season and out of season go and whisper to elected Members that their duty is to vote in a certain way. They even drag elected Members to the lobby and you, Mr. President, have censured already some of them for so canvassing for the Government. Is it in the knowledge of the Honourable the Home Member?

The Honourable Sir Malcolm Hailey: May I ask the Honourable Member kindly to repeat his question and may I ask the House to restrain its laughter so that I may hear his question?

Mr. K. Ahmed: Sir, may I ask the Honourable the Home Member whether it is known to him that the Honourable Mr. Allen and the Honourable Mr. Haigh generally in season and out of season, when the Assembly is sitting, or in another place when the Assembly is not sitting, canvass for votes on behalf of Government?

The Honourable Sir Malcolm Hailey: Not to my knowledge, Sir.

MOSQUE AT RAISINA.

597. ***Mr. Mahmood Schammad Sahib Bahadur:** (1) Are the Government aware that between the 2 hostels at Raisina, touching the eastern wall

of the western hostel in the south, there is a small half ruined mosque with an undignified and mournful appearance, and it is made use of by the Muslim Members of the Legislature for want of a better one in the neighbourhood?

(2) Do the Government propose to pull down this building of the said mosque and put up a better one in its place or at least effect a tolerable repair?

The Honourable Sir Malcolm Hailey: I will note the suggestion of the Honourable Member and I hope that Members of this House will also note it, that Government should pull down a mosque. We will give the matter our consideration.

DISCUSSION OF NON-OFFICIAL RESOLUTIONS AND BILLS.

Dr. H. S. Gour: Sir, may I ask the Honourable the Home Member if he is in a position to announce now whether any day will be set apart for non-official Resolutions which he promised to do in the course of this week.

Sir Deva Prasad Sarvadhikary: May I add a supplementary question, as to whether it has been quite decided what will be the last day of the sitting of the present Session?

The Honourable Sir Malcolm Hailey: I am afraid I cannot yet implement my promise of giving any further information yet whether a non-official day will be possible. We have so far planned out the business only up to Wednesday. I shall try to give the House information on the subject as soon as I possibly can. Obviously it depends on the progress of the Finance Bill. Nor am I able to say what will be the last day of the Assembly. That again depends a good deal on the progress of Government business.

Maulvi Abul Kasem: Sir, may I ask the Honourable the Home Member if they will allot an additional day for the consideration of non-official Bills. There are a large number of such Bills now pending and it is desirable that they should be finished before the Assembly dissolves.

The Honourable Sir Malcolm Hailey: We have a day on Thursday for the consideration of non-official Bills and we do not desire to place any restriction on the length of time that the non-official Members of the House, who will mainly deal with these Bills, can sit to consider them on that day. Beyond that I am afraid I cannot at present give any further promise.

NORTH BENGAL FLOODS.

Mr. K. Ahmed: Sir, may I ask with regard to the North Bengal flood, on which the Government promised that as soon as possible they will lay a statement on the table for the benefit of the country with regard to certain questions and supplementary questions I tried to put on the subject? An undertaking was given to us when the Honourable Mr. Hindley on behalf of the Government had said that it was almost ready and that he would place it on the table as early as possible. How far have Government taken steps to do the needful, Sir?

The Honourable Mr. C. A. Innes: Sir, I do not know to what statement the Honourable Member is referring. If he will let me know in the lobby sometime to-day, I will see that the statement is prepared as quickly as possible.

STATEMENT LAID ON THE TABLE.

Mr. E. Burdon: Sir, I lay on the table the information promised in reply to a question by Rai Bahadur Lachmi Prasad Sinha asked on the 9th March, 1923, regarding Select Committees on Bills and other Committees summoned during the period between the 7th October, 1922, and 6th January, 1923.

Statement showing the information promised in reply to a question by Rai Bahadur Lachmi Prasad Sinha asked on the 9th March, 1923, regarding Select Committees on Bills and other Committees summoned during the period between the 7th of October, 1922, and 6th January, 1923.

No.	Committee.	Department concerned.	Number of days on which the Committee held its meetings.	Amount spent.	REMARKS.
I.—Joint or Select Committees on Bills.					
1	Joint Committee on the Indian Cotton Transport Bill.	Legislative Department.	One day (27th November, 1922).	Rs. A. P. 1,843 9 0	
2	Joint Committee on the Indian Mines Bill.	Ditto.	Two days (6th and 8th January, 1923).	3,951 13 0	
3	Joint Committee on the Indian Boilers Bill.	Ditto.	One day (4th January, 1923).		
II.—Other Committees.					
1	Standing Finance Committee.	Finance Department.	Five days (4th to 8th December, 1922).	4,101 8 0	
2	Depreciation Fund Committee.	Railway Department.	120 days (25th October, 1922 to 28th February, 1923).	11,000 0 0	The Committee had to visit the headquarters and important workshop stations of each State owned railway in India and Burma.
3	Statistics Revision Committee.	Ditto.	123 days (9th October, 1922 to 28th February, 1923).	7,000 0 0 Approximately.	The Committee is still sitting.

UNSTARRED QUESTION AND ANSWER.

RESERVED ACCOMMODATION ON E. I. RAILWAY.

239. Rai Bahadur G. C. Nag: (a) Are the Government aware, (1) that the public experience difficulties in getting reserved accommodation at Howrah, on the Mail trains of the East Indian Railway, and (2) that applicants for reserved accommodation are not usually informed beforehand as to whether their applications will be complied with or not?

(b) Will Government kindly see to the removal of the above inconvenience?

Mr. O. D. M. Hindley: (a) As regards (1) the reply is in the negative. Accommodation on the mail trains is limited and if sufficient notice is not given it may happen that applicants are disappointed. As regards (2) Reserved accommodation by any particular train is not guaranteed, but if not available applicants are at once advised accordingly.

(b) In the circumstances no action is necessary on the part of Government.

THE BUDGET—THE INDIAN FINANCE BILL.

FINAL STAGE.

The Honourable Sir Basil Blackett (Finance Member): Sir, I beg to move:

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, be taken into consideration."

Sir, before I proceed to make a speech of any kind on this motion, I should like to ask whether for the convenience of the House it might not be desirable that instead of having a discussion on the motion to take into consideration we should take the general discussion on clause 2 of the Bill which is the clause imposing an additional salt duty. The question, as I see it, that is before the House to-day is whether if at all we can cover our deficit; if so, whether it is to be a salt tax or some other tax or combination of taxation; and it seemed to me that it might be for the convenience of the House if instead of having first of all a general discussion on the motion to take the Bill into consideration which must necessarily range over the question of the duty on salt, we telescope the general discussion on this motion and on clause 2 into one, which I believe will make for economy of time and for more relevance. It would of course depend on your ruling whether on clause 2 we could take a general discussion and not limit ourselves simply to the question of salt.

Mr. President: The point submitted to the Chair by the Honourable Finance Member is that it might be desirable, in the interests of the efficient despatch of business to-day, that the Chair should allow discussion on matters arising under clause 2 to include alternatives which might be proposed in other clauses.

I am prepared to take the discussion in that way. At the same time, the Honourable Finance Member used the words 'general discussion' regarding which I must utter a word of warning. General discussion on the motion that the Finance Bill be taken into consideration means that the Legislative Assembly may range over the subjects for which the taxes are being provided, that is to say, general administration and other subjects. Honourable Members will remember that last year there was a long discussion upon the Army. I cannot allow a discussion of that character on matters arising out of clause 2. The discussion on clause 2 and on the amendments proposed will be confined to the taxation proposed and to possible alternatives.

Sir P. S. Sivaswamy Aiyer (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): Sir, I should like to avail myself of the permission you have granted to make a few observations of a general character before we proceed to a detailed consideration of the various amendments to the Bill. Last week the Assembly endeavoured to effect various economies in the budget and it proposed retrenchments to the extent of over a crore; but those efforts have not been altogether successful. We should have been glad if the Honourable Finance Member could have bent his rigid financial orthodoxy so far as to meet the wishes of many Members on this side, including non-official European gentlemen engaged in business, that a crore and fourteen or twenty lakhs might be transferred to capital. I do not propose to waste any time upon that question for the reason that the

[Sir P. S. Sivaswamy Aiyer.]

Honourable Finance Minister has informed us that the Governor General in Council has declined to allow it. It is no use therefore for us to dwell upon that matter any further. I would simply observe that in these matters it is not possible to lay down any hard and fast rule and we should have been really thankful to the Finance Minister if he could have seen his way to advise the Government to allow the proposals of the Assembly to stand. But we must remember that the decision of the Government is sanctioned by past usage and by the view taken by the Secretary of State in the correspondence of 1906 or 1907. Now, the net result of this discussion during the last week on the budget is that we are told that there is a deficit of Rs. 1·68 lakhs odd. Now, I do hope that it will be possible for the Finance Member further to explore possible means of retrenchment but it is not a suggestion of much practical moment at the present stage of the discussion. Now, the question before the House is what course are we to adopt? There are two courses open to us. I believe there are a few who think that it would be a great incentive to the Government to practise economy if the deficit were left uncovered. For my part, I am not willing to believe that the Government are blind to considerations of economy. I think we shall be acting fairly if we give credit to the Government for a sincere desire for economy, more especially after they have given proof of it in the readiness with which they assented to the appointment of a strong Retrenchment Committee and after the assurances we have had that the Government would do their best to carry out the proposals of the Inchoape Committee as far as possible. I do not think, therefore, we should be justified in assuming that unless we leave the deficit uncovered, the Government will be under no inducement to practise economy. On the other hand, there are serious disadvantages in leaving this deficit uncovered. In the first place, it is bound to affect the reputation of the Assembly for a sense of financial responsibility; it is bound to affect our credit with the Parliament in England, and not merely that, it is also possible that it may affect our credit in the money markets. We did try the course of leaving a portion of the deficit uncovered during the consideration of the Finance Bill last year, but I do not think it will pay or that it will be in any way advisable, to follow that course for the second time this year. It seems to me that the only course which is open to us now is to find ways and means of covering the deficit as far as possible. I think it must be the desire of every one in the Assembly not to strain the constitution to a breaking point. I am quite alive to the necessity of expanding the constitution by the establishment of conventions, by expanding it wherever pressure on our part will have the effect of expanding our privileges, but I do not think it will be wise to knock our heads against a stone wall or to push our resistance to financial proposals to the point of breaking the constitution. What then is the remedy? I think we must agree to some method of taxation for the purpose of covering the deficit, either the whole or nearly the whole of it. It is quite possible also that, as I have said, there may be some other remedies available, though I do not know to what extent such remedies may be available. I remember, Sir, the caution that you administered to-day that we should not indulge in any discussion of the army expenditure, and I have no intention of doing so, though I might perhaps be suspected of some weakness in that direction. But if I may, for the purpose of illustrating my remarks, refer to one thing in the military expenditure, I would say this, that in former years the head of contingencies used to loom very large. This year there is a new head which makes an enormously generous provision in the army for leakage

and other losses to an extent far beyond that provided in previous budgets. I can well understand the necessity for providing for such things in the stock account, and the stock account has provided for losses to the extent of 70 odd lakhs, but I cannot understand, apart perhaps from the requirements of orthodox book-keeping, why this sum of 60 odd lakhs should appear under the head of the Standing Army, working expenses of depôts, and so on. Sir, I will not devote more than one minute to the illustration which I am going to give. It is this. There are numerous entries under this head of losses, of anticipated losses, of cash stores in transit, and stores in charge, loss by fluctuation in prices of stores, loss in issue of stores at concessional rates, and loss on sales of surplus stores. The Budget provides under these heads, so far as I have been able to trace them in the detailed estimates, for 60 odd lakhs. Now is that necessary? May not the Honourable the Finance Member usefully devote some of his attention to this large head which has now taken the place of the old head Contingencies which it was thought prudent to provide as a safeguard for unforeseen contingencies and perhaps for other purposes? Now that is only by way of illustration. An examination of such items may possibly lead to a reduction of the deficit to some extent. I quite admit that for the purposes of book-keeping it may be necessary to do it, but surely the Government does not think it necessary to replace losses of cash and make provision in the current expenditure for the replacement of losses of stores in transit, however proper it might be to enter them in the stock account. Sir, I have done with this.

Now, Sir, apart from any such reductions which you may be able to effect as the result of a more minute scrutiny of the Budget, whether civil or military, the question substantially remains, how are we to meet the deficit? Now there are various suggestions which would have been put forward by the Members of the Assembly. Of these the three most important are, a surcharge upon the Customs, a surcharge upon the income-tax and an enhancement of the salt duty, not to the full measure proposed by the Honourable the Finance Minister but to a smaller extent. Now I think I may state with a fair amount of confidence that, so far as the proposal for the enhancement of the salt duty is concerned, there is practical unanimity on the part of the non-official element in this House that the enhancement on the salt duty cannot be allowed to pass. Then, Sir, there remain two chief sources of possible addition to the revenue. One is a surcharge on the Customs and another is a surcharge on the income-tax. Now in speaking upon this question, I am aware that there may be some difference of opinion, but let me state that the opposition to any increase of income-tax also is quite genuine. Of course, it must be recognised that no form of taxation is faultless, and that there will be objection to any form of taxation, whatever it may be, but granting the inherent human unwillingness to bear any form of taxation, I would say that the proposal to add to the income-tax is likely to be viewed by a very large section of the House with disfavour. Thus apparently the only source to which we can look for an augmentation of our revenues is the surcharge on the Customs. And, speaking for myself subject to the result of the discussion which will follow, I should think that a surcharge of one anna in the rupee on the customs duties, on all duties which are classified under the head of Customs would be sufficient for all purposes. It would bring a sum of Rs. 2,80,00,000 or more. Now, I know that there may be certain objections brought forward to this proposal also. Firstly, on the ground that the surcharge of one anna in the rupee is a little too high and secondly

[Sir Sivaswamy Aiyer.]

on the ground that particular items which are included in the Customs schedule deserve either exemption or more favourable treatment. But the objection to this course is that, once you take out one item for favourable treatment or exemption, similar proposals may be put forward by people interested in other items. For instance, I know that the Honourable Member to my left will have a very serious objection to the enhancement of the duty on liquor. He would like it to be exempted. Unfortunately, he may not perhaps command the sympathies of a large section of the House, but still there can be no question as to the genuineness of my friend's objection. There may be similar objections to the exemption or favourable treatment of other items. It is not that I am opposed to the exemption of any particular item, if it were feasible. And here I would deprecate any suggestion that any of us has a monopoly of zeal for the poor man's interest or the rich man's interest. We have to consider the question entirely on its merits. Now, the practical difficulty that I foresee in suggestions to remove this item or that item is that, once you begin to let in exceptions, there may be so many persons interested in the exceptions that the exceptions will eat away a considerable portion of the addition to the revenue which we expect. That, Sir, is one of my objections to cutting out particular items. And another objection is that, even if we should be agreed upon the items which should be taken out, it might be found that we shall take away a good slice from the increment to the revenue which we may expect and we shall be driven again to the necessity of looking for a fresh source of additional revenue. The suggestion which I put forward for a surcharge of one anna in the rupee has the advantage of being free from this difficulty, and it is a clean, straightforward, simple solution. Like the Government proposal for an increase on the duty on salt, it may claim the merit of simplicity.

Now, these are to my mind the objections to the removal of particular items. I may perhaps refer to one or two other points in connection with this suggestion. Some of my friends are keen that the excise duty should be exempted from the operation of any proposal for taxation. Here again, my view is that any proposal to mix up protective considerations in the determination of what would otherwise be a clean fiscal issue is undesirable. Not that I am opposed to protection. But, instead of the discussion proceeding on purely fiscal considerations, it is liable to be confused and obscured by considerations of a different character which might more properly be urged at a different time and, having regard to the machinery now promised, before other bodies. These are the reasons why it seems to me preferable to go in for a single straight solution. It may be said that this proposal of a surcharge of one anna in the rupee is a heavy addition. Now, a surcharge of one anna in the rupee is proposed not *ad valorem* but upon the duty which would be levied. That, of course, would have the effect of raising prices not by 1.16 of their value but by a much smaller amount. Having regard to all these various considerations, it seems to me that this is a proposal which is perhaps most likely to solve this question of how to balance the budget. If, on the other hand, we adopt some other proposal for a lower standard of enhancement, we shall again be introducing the consideration of further ways and means for the purpose of balancing the budget. It may be said that, even according to this suggestion of mine, it would yield only Rs. 2,80,000, and there would still be a balance. Now one proposal which has been put forward by my Honourable friend, Dr. Gour, and by certain others, is that the amount of salt

duty which has been collected in anticipation need not be refunded, though we object to the salt duty. That proposal seems to merit consideration. That will perhaps bring in about 30 lakhs; and for the rest I think we can trust to the wits of the Finance Minister to find some means of bridging over the small gap.

Under these circumstances, I think that it would be not wise of the Assembly to leave the deficit uncovered and that, on the other hand, we must endeavour to cover it at least in very great part. What exactly will eventually commend itself to the general sense of the House I am not in a position to say. Nor am I to be understood as committing myself definitely to this suggestion, though I think there is a great deal to be said for it. And I therefore commend this suggestion to the House.

Sir Campbell Rhodes (Bengal: European): On a point of order, Sir. I should like your ruling, as to whether the interesting speech to which we have just listened and which raises many obviously controversial matters would have been in order in the discussion under section 2. If so, Sir, I would appeal to the House in the interests of the economy of time to allow the Bill to be introduced and so continue. I do not think we desire to be ruled out of order and miss our opportunity of speaking on certain points which have just been raised.

Sir Montagu Webb (Bombay: European): On another point of order, Sir, the Honourable the Finance Member has suggested that we should save time if we could proceed direct to the consideration of clause 2 of the Bill. May I say, Sir, that if we do that, I think that in the economy of time it would also be very valuable to us if we could have your ruling as to whether all these amendments which are before us are in order. It has been suggested by Members among themselves . . .

Mr. President: I can take that when we come to the clauses. It is hardly a point of order on consideration. As regards the point
12 Noon. put to me by Sir Campbell Rhodes, the reply to him is that the whole of the speech delivered by my Honourable friend on my left from Madras (Sir P. S. Sivaswamy Aiyer) is in order on this motion. The first half of the speech would not be in order on clause 2, the second half would be. That is to say, I am prepared to allow the general question of taxation raised by my Honourable friend to be discussed on clause 2. More general matters arising out of the administration of the country will not be in order on clause 2.

Sir Montagu Webb: Sir, may I explain my point? The point I had in view is this. If you, Sir, rule for example, that all these proposals for additional taxation are out of order, then our consideration of the salt tax will have to be on entirely different lines to what it would be if you rule these amendments in order. There are several proposals for additional taxation and there is some uncertainty in Members' minds as to whether these proposals are in order or not. If we know at the beginning that they are not in order . . .

Mr. President: I told the Honourable Member that that point of order relates to the amendments which must be taken after we pass the motion for consideration. I think there is a good deal in the appeal made by the Honourable the Finance Member and Sir Campbell Rhodes that in so far as the House wishes to discuss the salt tax or alternatives to it.

[Mr. President.]

that discussion had better be reserved till we come to clause 2. Technically it is in order on the motion for consideration; but I leave it to the sense of the House whether it ought to be discussed now and repeated on clause 2.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadian): Sir, I desire to make a few general observations on the Bill now submitted to the House for consideration. I do not wish, Sir, to repeat what has been repeated on the floor of this House *ad nauseam* that the heavy deficits of the Budgets of the last two years are due to military expenditure. I only wish to point out to the House that the suspicion which we then had in our mind that the military policy of the Government of India was dictated from outside has received confirmation in the telegram reporting the discussions in the House of Commons. I quote from Reuter's telegrams:

"The War Office was unable to agree with the Government of India regarding the latter's proposal for reductions in the number of units but the War Office was discussing the possible saving by cutting down establishments."

Now mark the next sentence:

"It must be remembered that the British regiments in India embrace part of the reserve and any reductions must necessarily affect their power of mobilisation. If the War Office agreed to the Government of India's making excessive decreases it would eventually mean further cost being thrown on the British Budget for making up the reserve in other ways."

We have been impressing, Sir, upon this House that the military policy of the Government of India was being dictated from outside. We are to-day presented with this spectacle of the British battalions marching on the prostrate form of the Government of India. The Army in India is an Imperial reserve for which the people of this country are made to pay. The Colonies refuse to pay for it; the British tax-payers refuse to pay for it, and therefore, the Army in England is sent out to this country to be paid for by the people of this country for external Imperial purposes. That is the situation. How far this House will keep on financing from year to year this insatiable Moloch of military expenditure can only be answered not by His Excellency the Commander-in-Chief nor by the Government of India but by the War Office and the Imperial Cabinet responsible for the defence of the British Empire. This, I submit, is a situation of abject helplessness not on the part of the Members of this House only but on the part of the distinguished occupants of the Treasury Benches. His Excellency the Commander-in-Chief, the Government of India, and the military advisers of the Government of India recommended a reduction, as we now see from the papers, but the War Office have vetoed it.

The Honourable Sir Malcolm Hailey (Home Member): No, no.

Dr. H. S. Gour: That is what the telegram says.

The Honourable Sir Malcolm Hailey: Then it is incorrect, Sir.

Dr. H. S. Gour: The Honourable the Home Member tells us that it is incorrect. Last year, he will not forget, I asked for the publication of the correspondence between the Government of India and the Secretary of State on this subject. Was that correspondence published? I ask the Honourable the Home Member to publish those despatches—the correspondence between the Government of India and the Secretary of State.

The Honourable Sir Malcolm Hailey: That cannot refer to the instance which the Honourable Member has just mentioned. The despatches of last year cannot throw any light on the matter which the Honourable Member has just quoted to us.

Dr. H. S. Gour: I repeat it, Sir, that this is an old controversy in which the Government of India and the Secretary of State for the last two years have been fighting for the reduction of the military troops in this country, and they have repeatedly been over-ruled by the Secretary of State. Does the Honourable the Home Member deny that statement?

The Honourable Sir Malcolm Hailey: I said, and I repeat that it was not correct, as Dr. Gour had stated, that the War Office had over-ruled the recommendations of the Government of India for effecting certain reductions in expenditure in the Indian Army Budget.

Mr. K. Ahmed (Rajshahi Division: Muhaimmadan Rural): What does it amount to?

Dr. H. S. Gour: I understand the Honourable Member as well as he understands me. We are both trained in the same school. I do not wish to pursue this question any further. I only wish to repeat what I have been repeating during the last two years that the military policy of the Government of India is being dictated by the War Office and the Government of India are as helpless in the matter as we ourselves. That is all to the credit of the Government of India, and whatever may be the result, we are obliged to His Excellency the Commander-in-Chief and the Government of India for fighting for the cause of India and fighting for economy in the military administration of this country, and we hope that with our support their just cause will triumph.

Now, Sir, we pass on to another subject. Much though we object to this military burden, helpless though we are in combating it, what should be our position regarding the Finance Bill? Are we to do, as has sometimes been suggested that we should withdraw all our assistance and leave the Government to such devices as they may resolve upon? (*A Voice:* "Who suggested that?") I am glad to hear one Honourable Member saying who suggested it. Now, my Honourable friend Sir Sivaswamy Aiyer said that that is a suggestion—I do not say it is a suggestion made by any one in particular but that is a suggestion. Well, Sir, so far as we are concerned, we and the Government of India are at one on this point that we cannot for the credit of this country allow this uncovered deficit.

Now then, the next question and a question of very great moment that arises in this connection is how to cover the deficit. We have already impressed upon the Government of India the desirability of making further retrenchments, but then we cannot count upon them. We must take the budget as it is presented to us and upon the happy contingency of the Government of India making further retrenchments in expenditure we cannot ignore the deficit that lies in front of us. We must provide against it. Additional taxation is therefore inevitable and the alternatives that we are confronted with are either the salt tax or some other tax. So far as salt tax is concerned, I voice the sentiments of the Honourable Sir Sivaswamy Aiyer that we on this side of the House are unanimously opposed to it. The only concession we are prepared to make is that the tax already collected (*Cries of "No, no."*)—that is a concession (*A voice:*

[Dr. H. S. Gour.]

"Who is making?")—the only concession that is possible in the circumstances (*A Voice*: "Most unjust") is that the tax collected may not be refunded to those who paid it. (*Voices*: "No.") But that would not solve the difficulty. At the very most the Government will make something like 35 lakhs of rupees. We have still to explore other avenues of taxation and I would add to the three mentioned by Sir Sivaswamy Aiyer a fourth one, namely, an import duty on iron and steel. I suggest that there is a very good reason why we should levy an import duty on iron and steel. (*A Voice*: "And tax industries.") The importation of iron and steel is prejudicially affecting the only pioneer industry that exists in this country and which the Fiscal Commission recommended should be supported at all costs. The European manufacturers of iron and steel are passing through a severe financial crisis and they are dumping their goods upon the soil of India at and below cost price, the effect of it being to extinguish this rising national industry in the country. An import duty on iron and steel would be in keeping with the declared policy of the Government. It will give us money and also serve incidentally to protect this struggling industry. I do not know how much it will bring us. I am told that it will bring us about Rs. 80 lakhs of rupees at 20 per cent. We have then to find about Rs. 268 lakhs. Of the three suggestions made by my Honourable friend Sir Sivaswamy Aiyer a surcharge on customs commends itself to me (*Cries of* "No, no" and "Hear, hear"), and I submit, Sir, it is the least objectionable of all taxes. I strongly deprecate a surcharge on income-tax and submit that any surcharge on income would not only be unpopular in the country but would saddle unjustly upon the people of this country a tax against which they are loudly complaining, and which as one Honourable Member says is already a heavy burden upon the tax-payer. I therefore suggest, Sir, that, the only solution that is possible in the circumstances is a surcharge on customs (*Voices*: "No, no.") and an import duty on iron and steel. (*A Voice*: "What about silver?") One more word and I have done. I beg to caution the Honourable the Finance Member and the Government of India that this last action of ours must not be regarded as a precedent. The Government of India have been budgeting for deficits during the last three years and I say, Sir, that this shall positively be the last year when the Government of India will come before this House and ask for further taxation to redress the financial equilibrium.

His Excellency the Commander-in-Chief: I should like at once to answer what the last speaker has said and the quotation that he has made from a Reuter's telegram which he read out to the House. The statement that has been reported as having been made in the House of Commons does not agree with the information in our possession and we are ascertaining whether this message as reported is correct. We have every reason to believe that the reduction in British troops which has been put forward by the Government of India and agreed to by me and which gives the pecuniary saving we are counting on will in the end be agreed to by His Majesty's Government. The question of the form which these reductions will take is still under consideration but His Majesty's Government have not signified that they are in any disagreement with the amount of reductions that are proposed and it is after all the amount which affects us here in the discussion on the Budget. I want to make that quite clear. There are certain reciprocal arrangements which, as the House will understand,

exist in a big organisation like an Army, which is enlisted in one country and is employed in another, and in which the Cardwell system of one unit abroad and one at Home is a basic principle. A reduction such as that which we have proposed affects the whole machinery for the production of recruits and of training of men in England itself. Therefore as the one hangs upon the other, and as a settlement cannot be reached in a moment we are still considering with the Imperial Government what actual form the reductions themselves shall take.

Mr. P. P. Ginwala (Burma: Non-European): I should like to ask one question in connection with this Reuter's telegram. Has His Excellency seen this quotation from a letter written by Field Marshal Sir William Robertson, which is reproduced in this morning's *Pioneer* on the same subject? He says in this letter:

"Hitherto we have been able, in time of need, to obtain both British and native troops from that country for employment elsewhere, as in the South African War, the Boer rising, the Great War and now in Mesopotamia, Palestine and China. The Indian garrison has therefore constituted, in practice if not in theory, a valuable Imperial Reserve paid for by India whilst employed there and by the British Exchequer only when employed in other places. But this very convenient arrangement is drawing to a close, for repeated requisitions for Indian assistance, coupled with the grant of self-government and the cry for greater economy in military matters, have led to an emphatic desire that the Army of India shall be employed only for Indian defence. Proposals for reducing it are already afoot, and in the near future the British portion of the garrison will probably be cut down."

Mr. President: I do not think that His Excellency the Commander-in-Chief is responsible for the opinions of other soldiers however eminent. I understand that Sir William Robertson is no longer in the employment of the Imperial Government.

Mr. P. P. Ginwala: My point was, if the Reuter's telegram is incorrect, is there any foundation for this opinion here?

Mr. President: The Honourable Member can discuss that with Sir William Robertson.

• **Captain E. V. Sassoon** (Bombay Millowners' Association: Indian Commerce): We have to consider in this Finance Bill the methods for obtaining funds to meet the deficit as originally put forward in the Finance Member's Budget speech and modified to the extent of the concession made by the Honourable the Commerce Member. I should like here to express my appreciation which I think will be shared by a number of members as to the extremely pleasant way in which we have been met by the Commerce Member on Railway questions. He has, I feel, tried to meet us in every way he has found possible even though he may have felt that he was sacrificing his better judgment to some extent. I feel that he has tried to associate us with this task and I personally appreciate the fact that our efforts or suggestions should have been taken so seriously and that they should to some extent have been given effect to. I think possibly the reason why the majority of this House followed him on the point of the capital expenditure on the railways was because after he had assured us that he would look into the matter and would not spend more than was necessary we felt that we could trust him to carry out our wishes. Now, Sir, this attitude forms a rather sharp contrast with that of the Finance Department under the Finance Member. It may be that I have misunderstood the intentions of the Finance Member but I must say that I found no apparent desire on his part to meet the wishes of the House

[Captain E. V. Sassoon.]

or its suggestions in any direction. It appeared to me that the Finance Member rejoicing as he does in the education of the British Treasury considers he knows a great deal more of such matters than some of us do. I put this forward because I wish any misunderstanding to be put right. I think some of us feel, if I am allowed to say so, that the Finance Member has taken up an attitude something like this: 'You may think so, but I don't and that settles the question.' If we take the printed sheet that we have in front of us, which represents the last statement made on Saturday before we adjourned, you will notice that of the cuts that were made by this Assembly one cut has been restored by the Governor General in Council and as to the other cuts, these apparently are not restored by the Governor General in Council but there is merely a statement made that it is considered that an allowance, which amounts to the amount of these cuts less Rs. 10,000, travelling allowance of the Members, should be made by a supplementary grant. In other words, if I am not very much mistaken in my reading of this paper, this House has been informed that because the Government or the department concerned does not consider that these cuts are possible, *ipso facto* they should be restored without any statement to the House as to whether the wishes of the House are to be in any way met and without the Governor General in Council being asked to restore these cuts. As far as one of the items is concerned, No. 6, regarding the Public Services Commission, I am one of those who think that the Government would have a strong case in asking the Governor General in Council to restore it, for the reason that it is not in the province of the Government of India to decide whether this Public Services Commission should come out or not and therefore I am one of those who did not consider it fair for us to blame them and to remove funds from them for an action for which they could in no way be held responsible. But what about the other points? The Government may have thought that our cuts were severe but the Government is responsible for the administration and I think that they should either have asked the Governor General in Council to restore them or that they should have at any rate shown some desire to carry out our wishes. It may be that it is chiefly a question of phraseology. It may be that they should have told us that they would do their best but they might have to come to us again. But as it is I for one do not think that it is treating this House with consideration if we are told "We do not think this cut is justified so we do not propose to take any notice of the action of the Assembly." Sir, in my opinion the powers of the Governor General in Council are quite necessary powers considering the newness of our constitution. But I think, Sir, they should be powers that should be kept in reserve and not used lightly. I look on the powers of the Governor General in Council in the same way as I look on the sword that is carried by His Excellency the Commander-in-Chief. Should His Excellency ever be attacked, I feel certain that he would give a very good account of himself with the help of his sword. But I doubt very seriously whether His Excellency the Commander-in-Chief considers it necessary to draw his sword every time he may want to sharpen a pencil or may wish to use a tooth-pick. I suggest, Sir, that the powers of the Governor General in Council should therefore be restricted to those occasions when it could honestly be said that the business of the Government and the administration could not be carried on owing to the vote of this House. Now, Sir, let us take the particular item that has been restored. The Finance Member admitted

to us that there might be arguments in favour of this particular crore and 30 lakhs being taken as capital, but his argument was that as this had not been put to capital in the first place therefore he considered it inadvisable to transfer it now. But suppose the Government had met us in this respect, could it be said that the whole fabric of the administration of Government in India would rock? That, supposing this item had been taken from expenditure and put to capital, the Government could not go on with its work? The Honourable the Finance Member may have thought it inadvisable, he may have considered that the fact that this item which might be considered capital was originally put to expenditure might be misunderstood elsewhere and for that reason it was advisable to leave it where it was. But as this House, having considered his argument, gave its unmistakable view that it did not agree with it, I think this was a case where the Honourable the Finance Member might have used his discretion and have met us. I quite realize this was a non-votable item. I quite realize that the Honourable the Finance Member was entirely within his rights to say, "I will not consider this point, this cut that you have made in respect of a non-votable item: I will take it in its narrowest sense and therefore I will have it restored." I admit that, but I do think this was a case where the Honourable Member might have looked at the question from a broader aspect and have tried to meet us in some way. I do feel that the Honourable Member has not given signs of any desire to meet this House in any way as regards this matter. And now, Sir, we shall be asked by the Honourable Member to vote for an increase of the salt tax to meet this deficit: a deficit which some of us do not consider represents a true deficit. Some of us consider that if the accounts had been kept in another way, in a way which we consider justifiable even though it may not agree with the pre-conceived ideas of the Honourable the Finance Member, there would not be so large a deficit and this small deficit could have been met in another way than that proposed by the Honourable the Finance Member. Now, Sir, one of the charges that is made against this Assembly is that the Members of this Assembly do not represent the people of India. That is a charge that is thrown at us not only here but is thrown at us at Home. I venture to say that, as far as the proposed salt tax is concerned, we do represent the large majority of the people of India whether individuals with votes or without votes. I therefore say that if the Government on the advice of the Finance Member chooses to overrule any vote against the salt tax that may be given, they will have no excuse for stating that the vote was made in defiance of the wishes of the large majority of the people of India.

Now, Sir, there is another point on which I feel deeply. If the policy which I have seen working, the policy of the Government of India as we have seen it carried out by the Leader of the House, by the Commerce Member, and by, the other day, the Postmaster General in his explanation of his items, the policy of associating us with them, of not only asking us for our views but trying to put any views of ours into effect, if that policy is not to be gone on with, if we are to find ourselves faced with a policy which is "here are our views; we consider that only these views are right; it may be that we are not entirely correct in every detail but we propose that these views should be passed by the House *in toto* and if they are not passed by the House we shall ask the Governor General in Council to use his powers to put back every comma and every fullstop that may have been taken out." I venture to say that if that new policy, which I hope is not really the new policy, of the Government and which

[Captain E. V. Sassoon.]

I hope is due merely to my misunderstanding of the situation, if that is to be the new policy, I for one venture to say that my own activities here do not appear to justify the sacrifices that I have to make in not looking after my own affairs. I make a present to the Honourable the Finance Member of the obvious retort that this Assembly has got on very well without me in the past and will probably be able to do so in the future. I should welcome that retort. It would enable me to go to my supporters in my constituency and suggest that as I was doing no good here I might be allowed to look after my own business. If we are merely to record our assent to the proposals of the Government, there are probably a large number of other Members who could use their intelligence and their activities better elsewhere. It might be advisable and suitable for us to send the peons from our offices to take our places with instructions to cry "aye, aye" to every demand of the Government. That would no doubt be very satisfactory to Members of the Government; it would be equally satisfactory to our peons who would draw our allowances; the only people who would not be satisfied would be the negligible 250 millions of taxpayers in the country. Sir, I have put this point of view very strongly. I have put it forward perhaps more strongly than some people may think justifiable. (*Cries of "No, no."*) If I have done so I have done it on purpose, because I consider that the moment has come when we should definitely hear whether the policy that has so far been carried out, whether the treatment that we have been receiving, is to continue or whether there is going to be a change. Therefore, Sir, I beg the Leader of the House, with all the emphasis at my command, to pause before accepting this new policy, if there is a new policy, of the Finance Member, who with the face of a cherub and the methods of a tank, is more successfully, more expeditiously and more surely wrecking the Reforms than the most enthusiastic, the most optimistic extremist in his wildest hopes could have ever imagined possible.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, I would have preferred to speak when section 2 of the Bill is to be taken into consideration; but, Sir, the bad example set by my Honourable friend, Sir Sivaswami Aiyer, has spread and the contagion has affected me also. Sir, I wish to offer a few remarks upon the question which he raised, namely, whether there should be an uncovered deficit, and whether we should not do something to bridge the gulf, as he said. Sir, before proceeding further, I should like to add one sentence to what the Honourable Captain Sassoon has said. He has said that as regards the salt duty, we are here representing fully the people of this country; we are not a microscopic minority in this respect as we are called, we are representing the unanimous voice of the people of this country. There is only one matter, one consideration which I would urge upon Government and it is this. They knew very well that when there was a deficit of 20 crores, and when they brought forward a proposition to increase the salt duty, this House did not listen to it. This House showed by unmistakable terms, by the language then used, by the sentiments then expressed, that an enhanced salt duty was out of the question. That was at a time when there was a deficit of 20 crores of rupees; that was at a time when this Assembly had two years still to run. Now, when the deficit is 4½ crores, when we have got to face our constituencies, the Government have taken into their head to impose the salt duty. If they do this, can they rightly turn to

us and say, "you ought to do everything in your power to help the Government and that otherwise there will be the necessity for certification"? If the certification comes, it will be brought about by their own act; they have brought it upon themselves, and we, as representatives of the people, are not responsible for it. Sir, that is a consideration which I would ask the Honourable the Finance Member to take into account; apparently he was not fully aware of the circumstances which led to the voting of the duty on the last occasion; and I believe if he had known the sentiments of the people in this matter, he would not have proposed to increase the salt duty by one hundred per cent. Sir, my Honourable friend, Sir Sivaswamy Aiyer, made one suggestion; he said, the suggestion which he made was a straight and clear one, namely, that there should be a surcharge of one anna in the rupee on the customs. With all deference to my friend, I think he will find that this proposition will not go down the House, because what does it come to? Take for example, the duty on piece-goods. If we are going to add one anna in the rupee to the piece-goods, what would be the position? The seller would increase the price by 2 annas; and the persons whom we are so anxious to protect, namely, the poor people, would be the persons most hit by that. There can be no doubt if you increase the duty upon customs, it would affect the poor people; and there is no use (*Voices of "No, no, no."*) There is no use in saying that you want to protect them from the salt duty if you tell them at the same time that you are going to increase the duty on customs. It would be taking away with one hand what you give with the other. That is the position, and I say that any attempt to increase the customs duty by one anna would not be regarded as in any way helping the poor. Sir, there was a suggestion made by Sir Gordon Fraser on the last occasion. That holds the field, according to me. I admit that by having half an anna upon customs and also upon income-tax (*Voices: "No, no"*) a good portion of the deficit will be covered. I know some of my friends will cry "No" "No" when the question of income-tax comes but if they are really anxious to help the poor, if they are really anxious to save them from heavy taxation, they ought to consent to an increase of half an anna in the rupee in the income-tax. Sir, there is only one more matter at present to be mentioned as I shall speak on the Bill later on, and it is this,—as regards the suggestion made by my friend, Dr. Gour, that the money collected during the interim period before the Act comes into force, should not be refunded. There was a cry from my friends that would be regarded as robbery. Now I put to them a plain issue. Supposing you remit it, who will get the money? The middleman would get the money. The poor people who have purchased the salt would not get the benefit of it; and therefore, if you are going to remit it it is not the poor man that will be helped, it is the middleman who will take the money; there is nothing wrong in the Government retaining the money which they collect now. Sir, there are other matters upon which I should like to speak later on. I hope that this discussion may now come to end and that we may proceed to consider the various sections of the Bill.

Mr. T. E. Moir (Madras: Nominated Official): Sir, I am most reluctant to continue the debate on the general question in view of the desire expressed by some Members of the House for a more detailed discussion, but there are one or two points to which I should like to draw attention which it will possibly not be in order for me to refer to when we come to the discussion of clause 2. In the first place, let me say that I listened to the speech of my quondam chief, Sir Sivaswamy Aiyer, with a great deal of

[Mr. T. E. Moir.]

interest and attention. I should like to express my regret, after hearing that speech, that for the greater part of this Session of the House, the Madras Presidency has been deprived, by circumstances beyond his control, of his powerful advocacy in certain concerns to which I shall have to refer. Next, Sir, I wish to make one general remark as to the speech of Dr. Gour. In reading through that interest in Chapter of the Inchoape Committee's Report which relates to Railways, I found certain cryptic allusions to something called a "super-heater". Now I really do not know what a super-heater is, and if I were placed in front of an engine by the Honourable Mr. Hindley, and asked to point it out I should be quite incapable of doing so. I can only suppose that a super-heater is in the mechanical world something that has the characteristics of Dr. Gour in the oratorical world. But the point which I wish to put and which arises out of his speech is, are we still discussing the Budget and the Finance Bill as put before us? Dr. Gour put his hands into his pocket and produced a telegram which I have not seen, and which apparently in his view has entirely upset the whole course of our debate, blown our Budget and our Finance Bill to the winds, and left us nothing to discuss. I merely wish to ask the Finance Member whether we are really still discussing the Finance Bill. I take it that we are. Then, Sir, I should like to refer to some remarks of Captain Sassoon. Captain Sassoon is exceedingly angry that a suggestion which he threw out in the course of our discussion on the Budget was not accepted by the Government (Mr. Jamnadas Dwarkadas: "Put forward by 67 Members")—of which at any rate he was one of the supporters. Well, Sir, may I say to the Honourable Member that when the point was under discussion I did my best to follow it, but when I looked to Captain Sassoon for an explanation of the proposal which would really commend itself to me if I may say so, Captain Sassoon entirely failed to render the proposal attractive to me. It may have been the fault of the proposal, or it may have been the fault of Captain Sassoon's advocacy, but to my mind it seemed to be merely an invitation to the House to resort to another of those wretched expedients which have in part led to the present situation and which I hope we are not going to repeat in future. (Mr. Jamnadas Dwarkadas: "That was a suggestion from Sir William Meyer.") I am not going to follow the Honourable Captain Sassoon in his constitutional discussions. He tried to lay down the principle that resort to the extraordinary powers conferred on the Governor General in Council should only be resorted to when certain conditions had been established. Between the lines, it seemed to me that what Captain Sassoon was really laying down was that these extraordinary powers were not to be resorted to unless Captain Sassoon himself agreed to their being used.

Captain E. V. Sassoon: I would like to inform the Honourable Member that I would not dream of arrogating to myself the knowledge that everything I said must be correct, but I thank the Honourable Member for considering that I would only suggest points that would be reasonable.

Mr. T. E. Moir: Sir, I now turn to the real issue which we have to face. In this paper which was circulated to us this morning we come up against the cardinal fact that we have still a deficit amounting to 368 lakhs, and as far as I can gather from the discussion, everybody is agreed that that deficit must be covered. I am not sure whether any one in the House dissents from that view. I take it that no one does, and therefore the only question that remains is now, how that deficit is to be covered. At present the proposal made by the Government, namely, to increase the

salt tax from Rs.1-4 to Rs. 2-8 a maund holds the field (*Honourable Members*: "No.") I do not say that other proposals have not been put forward, or that these other proposals are not deserving of consideration, but I notice that not one proposal has been put forward in one quarter which did not immediately evoke a storm of protest from another quarter of the House, and therefore from the practical point of view the proposal that does hold the field is the proposal of the Government of India. (*Sir Deva Prasad Sarvadikary*: "Which has evoked a storm in all parts of the House.") Now, Sir, we have had an expression of that general opposition to the salt tax, but it has been nothing more than general. The question has not been presented from the financial point at all. Now we all know what is at the back of the minds of Honourable Members who oppose the salt tax. They frankly admit that it is not on financial grounds that they oppose the proposal of the Government (*Mr. Jamnadas Dwarkadas*: "No, no one admits that") but it is on, shall I call it, political grounds. (*Mr J. Chaudhuri*: "Economy.") Now Sir, I think it would be well if somebody said a word on the salt tax from the financial point of view. As I have said, it at present holds the field, and at any rate the salt tax does present certain advantages. In the first place it is certain. In your financial machinery there is not a single tax that offers such an element of certainty as the salt tax. I think that will be generally admitted

Mr. President: If the Honourable Member proposes to discuss the merits of the salt tax, I think he had better reserve that until we come to clause 2. He is aware that I have allowed a general discussion to proceed in spite of the appeal made by the Finance Member and Sir Campbell Rhodes; but I must ask him not to go into much detail regarding the merits of the salt tax or its particular effect on the economic life of the country.

Mr. T. E. Moir: Sir, in accordance with your ruling, I shall, of course, reserve any remarks I may have to make from that point of view to a later stage. But, Sir, there is one point which I do wish to bring to the attention of certain Honourable Members of the House. My Honourable friend Mr. Kabeer-ud-din Ahmed I think rather objects to an official Member attempting to express his views or attempting to influence the House in any way. Now, Sir, it is perfectly true that I have got no constituency, but I can claim that I have a mandate and my mandate is derived from the Madras Presidency. The mandate which I have received from the Madras Presidency is either to secure in this Budget a reduction of our contributions or at least a Budget which will hold out to the Presidency to which I belong an immediate prospect of relief. Now, Sir, if we allow this Budget to pass with another deficit, I would ask Honourable Members who, like myself, come from that Presidency, what hope they would have of relief. And, remember, relief to us depends not on temporary expedients such as I have referred to but on the real gap between recurring expenditure and recurring revenue being filled up. Temporary expedients you cannot repeat, you exhaust them; and, therefore, so far as the Madras Presidency is concerned, what we require is a Budget which is really balanced, not one which is merely balanced on paper. Now, Sir, I have, I am afraid, more than once wearied the House on this subject, but still I have that mandate, and in loyalty to that mandate I must express my views. We may be defeated again; the result of our deliberations to-day may be that the deficit is not closed—let me repeat, the real deficit—but in that case I shall go back to the Madras Presidency and say, we have still to keep up

[Mr. T. E. Moir.]

the fight, success may yet attend upon our efforts; but, if that situation arises out of what I should consider the ill-judged and misguided action of the representatives of that Presidency, if they do not see that the interests of their Presidency is bound up with the financial solvency of the Government of India, I shall go back and say we are defeated and we are defeated finally. I shall not attempt in any way to minimise the fatal nature of that defeat. We, from Madras, have for the last two years by every possible means been urging upon the Government of India the necessity of balancing their Budget and of beginning the process of reducing the provincial contributions, a question in which not only was my own province concerned, though I can only speak for it. We have been urging them to do that. They have now placed before the House a balanced Budget and, if we from Madras take any share in any action which will convert that balanced Budget into an unbalanced one, then we have no longer any claim upon the Government of India at all. They have done their best and we have failed them at the last moment. I sincerely hope that no Member who represents the Madras Presidency will incur the reproach that he has misrepresented his own Presidency here and failed to take advantage of an opportunity, which it seems to me may never recur, of making assured that demand which all its representatives for the last two years have urged upon the Government of India.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadian Urban): Sir, much as I wished to desist from taking part in this general discussion, the remarks of the last speaker have called me on my feet. I do not wish to follow the example of assuming the role of a monitor either to individuals or to the Assembly, or to speak on behalf of Madras, which, Sir, is rather hydra-headed and it is very difficult for anybody to say that he represents Madras.

Sir, I do not recognise that this Assembly is responsible to make up the deficit which the Government of India think there ought to be. I quite realise that as far as possible this Assembly should try to balance the Budget, namely, the Budget it has framed and not the Budget which somebody else has framed, however responsible he may be. Sir, if the Honourable Mr. Moir thinks that Madras will welcome a balanced Budget by the imposition of a salt duty, then he is very much mistaken.

Mr. T. E. Moir: On a point of order, Sir. It is perhaps necessary that I should deal with that point. I am informed from Madras that responsible opinion in Madras regards this question of a reduction in the contributions as of such paramount importance that to secure it the Madras Presidency is prepared even to accept the burden of an additional salt tax.

(Honourable Members: "No, no.")

Rao Bahadur T. Rangachariar: I deny the authority of those Honourable gentlemen in whose name my Honourable friend speaks. I know Madras much better than Mr. Moir does. Sir, I can speak in the name of Madras. I said I would not be tempted into any such path. Sir, I may say that the people whom I know and they are a vast community would not relish any balanced Budget with the salt tax imposed. Sir, Madras officials—honoured names there have been, may I quote the name of Mr. Gibson for the recollection of Mr. Moir—Madras officials have always stood against the imposition of the salt tax. They know the value of salt to the agricultural population of that Presidency, and it is idle to pretend

that Madras will welcome an enhanced salt duty simply because they want a balanced Budget. Sir, as I take the figures, the original deficit was for 4.26 crores according to the Budget presented by the Government, and according to the Budget passed by us in this Assembly the deficit comes to 2.50 crores. Now the question is whether that deficit may not further be reduced by practising economies on the part of Government. My Honourable friend Sir Sivaswamy Aiyer has already referred to various items in which economy can be practised and I am sure will be practised by the Government of India; because they are as keen on economy as we are, and that we fully recognise. I take it therefore that the duty of this Assembly will be to find two crores and no more. For that, Sir, there are suggestions and suggestions; and when these suggestions come to be considered I am sure the House will express its opinion one way or the other. Sir, I may point out that the Government of India in this time of stress and difficulty propose to abandon a source of revenue; they propose to abandon 25 lakhs of existing revenue, viz., the export duty on hides and skins. Sir, I do not see any justification for this; they have not told us a single reason why this existing source of revenue should be abandoned. If it is retained, the deficit is reduced to Rs. 1.75 crores. Then, Sir, I have a proposal to make, to impose a surcharge on customs duties on goods other than those which are consumed by the poor, such as piece-goods, matches, sugar and yarn; these four things being exempted, you can impose a surcharge on other goods, of either six pies or one anna in the rupee; if you put it at six pies, it will give you about 80 or 75 lakhs; if you put it at an anna, you will get more than a crore. These two items alone, without pressing on the poor, may meet the deficit. Therefore I do not know why the Government of India have got into this wanton conflict with the people of this country and with this House. After the emphatic vote of this House by more than double the number even after the most able advocacy of the salt tax, this House and both the European and the Indian world in India protested against the enhancement of the salt duty, and yet, Sir, the present Government are now provoking a wanton conflict with the people and with this House. I deprecate most strongly this attitude on the part of the Government of India. It is an attitude which they should not adopt in their own interests. It is all very well to say this is not much of a burden. If you rule, Sir, that I cannot speak about it now, I shall speak on it later on when my amendment comes. Therefore, Sir, I say there are other sources which will be less irksome and which will not be so unjust as the proposed source to which Government look. While I agree, therefore, that we must try to help the balancing of the budget, we look at it from the point of view of the budget which we have framed, and not that the Government of India have framed, and we propose to assist them in that way. Sir, these are the general remarks that I wish to make on the proposals.

The Honourable Sir Basil Blackett: Sir, before I proceed to adopt the attitude of that horrible animal which defends itself when attacked. I want first to correct to a certain extent the statement which was circulated this morning. This statement represents the figures that were reached Saturday afternoon. In announcing those figures I had to state in regard to the item of Rs. 3 lakhs under the head 'Miscellaneous' that the Governor General in Council had not had time to consider what action he would have to take in view of the fact that the House by a majority of one vote had declined to provide the money. I am now charged to inform the House that in the opinion of the Governor General in Council

[Sir Basil Blackett.]

this provision is essential to the discharge of his responsibility. That does not in itself alter the figures on this sheet, but it alters the form. There are also two further alterations which I ought to make. The reduction under the head 'Stamps' was one lakh and not 100 lakhs—not a very important point—and in giving the figures here, the fifty lakhs cut in railway expenditure was treated as a reduction in expenditure. When dealing with net figures it ought to appear as an increase of our net revenue. I will have the figures re-circulated, but it may be of convenience to the House if I give them now. The estimates of expenditure including 9 lakhs which we regard as a necessary provision for supplementary grants now amount to 133 crores 88 lakhs 81 thousand and 990 rupees. The estimates of revenue are 130 crores 19 lakhs 98 thousand rupees, making the deficit on that basis 3 crores 68 lakhs 83 thousand 999 rupees, or for rounding purposes I may say the deficit is 369, it is very much nearer 369 than 368.

Well, Sir, the House has, I fear, regarded the attitude of the Government as very rigid and unyielding, and in particular they have traced that attitude to the attitude of the Finance Member. I am sorry that impression should be created, and I have no doubt that I am personally partly responsible. I am new to parliamentary life in this country. I am not apologising for the substance of what I have done, but if I have offended in any way in my manner

Rao Bahadur T. Rangachariar: The manner was perfect.

The Honourable Sir Basil Blackett: Well, if it is the substance that is objected to, and not the manner, I plead entirely guilty to the charge.

Now, what is our position? We are all agreed that it is of the greatest importance to India that the Budget should be balanced. Nothing was really more evident during the general discussions on the budget debate than the complete unanimity that we must balance our budget, there was even more unanimity on that than there was that the House disliked the salt tax. I think we are all still agreed that the budget must be balanced. Now I say that the balance must be a real one. I have heard it said to-day that the attitude of the Government was wrecking the reforms. I ask the House what, if anything, is endangering the reforms? I say it is the continued deficits everywhere; it is the deficits, the financial difficulty that India has been up against that has made the passage of the reforms through this period of transition much more difficult than it otherwise would have been. If it had not been for these continued deficits both in the Central Government as well as in the Provincial Governments which have been threatening the reforms, it would have been much more easy for this period to have been passed through. If it had not been for these continued deficits

Dr. Nand Lal: Created by whom?

The Honourable Sir Basil Blackett: Created, I think, very largely by the state of unrest throughout the world; I do not think it is proper to blame anybody in particular for the condition of affairs which after all is general to the whole world. In every country in the world there has been enormous difficulty since the war in arriving at balanced budgets; a balance has only been achieved where it has been achieved by heavy increases in taxation and heavy reductions in expenditure, the two going together. Now what is our object in balancing the budget? It is that we may start

a new era, and that we may try to help on for the benefit of India nation-building schemes, schemes for the development of industrial progress in India, education, and so on. And we want to improve the credit of India. Now, is our credit improved by—I don't want to use a hard word—an alteration of our accounts which leaves us in exactly the same position as before but shows an apparent surplus simply by altering the accounts, though we end up the year in exactly the same position as if we had not altered the accounts? Our unproductive debts increase by exactly the same amount as if we had a deficit. I state quite confidently that, if the choice was really between an uncovered deficit and an action which even gave the appearance that India was trying to cover up her tracks so as to make a deficit appear as a surplus, we should do far better boldly to budget for a deficit and say that this year we have not been able to balance our budget.

Captain Sassoon complained that the Government had not accepted the unmistakable view of the House that certain charges which are non-votable should be transferred from revenue to capital. Well, now, without entering into that particular question, without mentioning that it was stated and had to be stated in advance that the Government of India could not support such a recommendation and that, even if they did, it would probably not be accepted by the final authority, I join issue with the word "unmistakable." If the House will just remember what happened on that vote, they will, I think, agree that the view taken was mistaken. Half the Members who voted for it—I do not know the numbers but quite a number of persons who voted for the Resolution stated definitely they disagreed entirely with the suggestion that this should be transferred from revenue to capital. (*Honourable Members*: "Only two.") Only two spoke, but I am quite sure that, judging by the division which took place on a later amendment—a somewhat similar question which was supported on the same authority, half the House said that they did not believe in this attempt to cover up our tracks, but that they thought that the Government could make a further reduction in their actual expenditure and for that reason they voted for it. Now, if the Government for a moment thought that there was the slightest possibility of making that further reduction, it would have gladly agreed to do so. Here, I may say that this year, I think, we have been suffering a little from the precedents created last year. The position is not really the same as it was last year. The Government has produced estimates which I have already told the House more than once are based, in our sober opinion, on a rather more hopeful view of what the minimum expenditure will be for this year than we can quite honestly say we hold. If I were asked to put my hand on my heart and say that our expenditure will not, without any special intervention of adverse circumstances, exceed the expenditure which I have to-day given to the House, I should have honestly to say that I was very doubtful. We will do our best. I am sure the Government has given some earnest of its good intentions, and these estimates are framed on the basis of the acceptance of the Report of the Incheape Committee in full, subject to lag.

Now there are quite a number of items on which this House has expressed more or less clearly its view that the Incheape Committee cuts might not be accepted. I do not say that at the end of the year it will be found that we have exceeded the estimate of expenditure which we have put forward now. It will be my duty and also my endeavour throughout the year to see that that does not happen. But leaving aside

[Sir Basil Blackett.]

questions of appropriation, I stand here to try and present to the House my estimate of what is the minimum expenditure that we are required to cover during the year, and I cannot honestly say—and I think the House agrees that we have done our best—I cannot honestly say that there is any probability of its being less than the figure we have put here. My Honourable friend Sir Sivaswamy Aiyer has made certain suggestions about the expenditure on the Army. I was very sorry that he was under the misapprehension that he was out of order, because I should have liked to have heard more suggestions. We are very anxious to economise everywhere and I think I can say for His Excellency the Commander-in-Chief that he is particularly anxious to have useful suggestions for economy, for that will give him money which can be spent on things which he really desires to spend on.

Dr. H. S. Gour: It must be transferred to the Civil Departments.

The Honourable Sir Basil Blackett: In view of the financial position of India he has had to cut down his expenditure to the bone and if anybody can show him cases where he is wasting money, he certainly would be extremely glad. I believe, to go halves with me. We have made a very severe cut.

Mr. K. Ahmed: Nothing of the kind. Last year you had said the same thing.

The Honourable Sir Basil Blackett: I beg your pardon.

Mr. President: If the Honourable Member desires to make an interruption, he should have the courtesy to rise to his feet and speak audibly and distinctly. The next time the Honourable Member interrupts in that fashion, I shall not be so lenient.

The Honourable Sir Basil Blackett: I regret I did not catch the Honourable Member. I believe it related to something that we have done or not done since last year. As I said in introducing the Budget, we made some considerable economies on the ordinary items of Army expenditure last year with the result that though special charges like Waziristan and demobilisation charges exceeded considerably the estimates, we actually kept within our total estimate figures in respect of the Army as a result of earnest efforts at retrenchment. Some Honourable Members were disappointed that we did not adopt the temporary expedients for transfer to capital which they put forward. The reason why we did not do so was—I have already given it in general—that it is absolutely necessary that when you have had a deficit for 5 years, your first surplus that you show should be a real surplus and it should not be subject to any possible criticism of having been obtained by unsound expedients or manipulation. You can take your accounts and transfer items from revenue to capital and capital to revenue and improve your accounts with great advantage to sound thinking in every way. But you must not do it for the purpose of turning a deficit into a surplus. I think that all these things should be looked into, though as I have said I am afraid the result would be, if we did it too closely this year, slightly to increase our deficit, but that is another matter. Let us accept the accounts as they stand and show a surplus and then you will improve your credit and get the advantage of what you are really setting out to do.

I turn now to another point. I have heard some of my Honourable friends more than once in the course of the last ten days talk about the temporary financial stringency, and these temporary difficulties we are in. I wish I could say that I believe that these are necessarily temporary. But can we honestly say so?

Rao Bahadur T. Rangachariar: What about the military?

The Honourable Sir Basil Blackett: The military expenditure has been cut down this year from Rs. 67½ crores to Rs. 62 crores.

Dr. H. S. Gour: You must bring it down to Rs. 20 crores.

The Honourable Sir Basil Blackett: The figure given by the Incheape Committee is Rs. 57½ crores. (A Voice: "Without altering the policy.") On the contrary, after making considerable reductions in the number of the troops, British and Indian. (A Voice: "You cannot change your policy.") I beg the Honourable Member's pardon. These estimates are framed on the assumption that the reductions agreed to by His Excellency the Commander-in-Chief and agreed to in principle at Home are carried out.

Rao Bahadur T. Rangachariar: May I point out that in Waziristan and on other temporary works we are spending more than 3 crores of rupees which will not be a recurring thing.

The Honourable Sir Basil Blackett: I was just coming to that point. It is perfectly true that there are non-recurrent items of expenditure in the Army estimates and I shall be disappointed—I will not put it higher than that at the moment—I shall be much disappointed if the Army estimates are as high as 62 crores next year, but there are a good many other considerations besides the fact of these non-recurrent items in Waziristan. There will be certain terminal charges—if there is no lag there will be terminal charges of rather heavy amounts I am afraid to meet in 1924-25. Over two crores of the reduction this year is purely a non-recurrent reduction, it is a reduction in stores. By living on existing stores we are able not to buy new ones so as to reduce our total reserve—a most important reduction of extreme value, but it does not enable you to look forward to recurrent reduction next year. When you have worked your reserves down to your minimum you have to go on replacing. So far from being a recurrent saving that is a non-recurrent saving which will have to be made good next year. Now, there is another item in our estimates to which to some extent the same considerations apply. The three crores of our reduction in Railway expenditure this year is a reduction of programme revenue. I do not want to go into the point, but obviously that is a postponement of expenditure—I do not want to beg the word by saying necessary—it is a postponement of expenditure which has to be made good if our Railways are to earn us interest. We cannot live on that sort of thing.

Then, as we stand, we have got a deficit of Rs. 3½ crores uncovered. Have you any real hope, real certainty that next year without any increase of taxation that could be covered? I do not say there is no hope, but is there any certainty? We have had two good monsoons and on the law of averages can we really expect two more or one more this year? People talk glibly about revival in trade. There has been an improvement in trade, but there can be no permanent, long-enduring improvement in trade while the French are in the Ruhr, while the whole of continental Europe is

[Sir Basil Blackett.]

in the state in which it is, while our customers are unable to take our goods. There is no certainty of a surplus next year on the existing basis of taxation and I am afraid I must add there is a probability of a deficit unless we cover it by additional taxation this year. That is where the great merit of the Government's proposal comes in on financial grounds. The proposal would bring in $4\frac{1}{2}$ crores of additional revenue this year covering our deficit and leaving us a small surplus for contingencies. A year after it would add six crores to our revenue—an addition of $1\frac{1}{2}$ crores. That is a very important point, because with that duty imposed we shall be next year in a position in which I am prepared to say in the absence of very adverse circumstances the recurrence of a deficit is most unlikely. On the contrary there is every probability—given a few favourable turns of Fortune's wheel—that we may have quite an appreciable surplus, to do what we want to do with our surpluses. I shall come to what we want to do in a moment. But before I go on to that I want just to deal with some of the various suggestions that have been made for alternatives. As my friend from Madras said just now, the fact about all these alternatives is that they seem to secure no more unanimity than the salt tax. If the Government and a certain number of Members are opposed to the refusal of the salt tax, there is so far as I can see a complete absence of any kind of unanimity among Members of this House as to any substitute. What are the substitutes that have been suggested? I take for this purpose the order paper containing the amendments so that I may deal with some of them. I do not think that any suggestions have been made to-day which were not put forward before. I will take the duty on silver for which my friend, Sir Montagu Webb, holds a brief. This proposal has been put forward in each of the last two years and after discussion it was not agreed to. I do not mean that it has been voted against, I am not sure of the facts. I believe it was voted against one year. The difficulty about the duty on silver is that, first of all it is most undesirable to have a duty on the precious metals which come in and go out and thereby play a most important part in balancing imports and exports and exchange. A duty on precious metals is open to enormous theoretical difficulties. But I do not want to delay the House with them, if they agree, as I think they do, that it is a fact. The next difficulty is, although it is quite true we had a duty on silver some time, it did not contain any provision for a rebate on export. It is really, we are convinced, out of the question to introduce a duty on silver now without giving a rebate on export. Otherwise we shall play havoc with our exchange position. Silver must be able to go out freely to balance the position when the exchange is temporarily against us and we are in need of that support. Assuming that to be the position the yield is extremely uncertain. I begin with the year 1916-17. I do not begin with that year for any reason except that it seems to be going far enough back. In that year I see there was a net export of 12 million ounces. With a duty of let us say an anna, we should have lost 12,000,000 annas net in that year. In 1918-19 there was a small import. In 1920 there was again a small import. In 1921 it was fairly large, 21 million ounces of net imports. In 1921-22 it was 61 million. We should have got a large revenue that year. In 1922-23, for the first ten months we have 61 millions. We should have got considerable amount here. But the mere fact that we have just had two years of large imports here means it is quite possible that if you impose a duty this year, we might find that it has brought a loss and not a gain. In any case the amount that we can

count on its bringing in this next year would be very small. I do not think the House will wish me to spend more time on that. It has been put forward in one special quarter but it has not very strong support. Next I take the export duty on petrol. Here I should like to observe that it is rather striking that among the suggestions that have been put forward export duties hold the foremost place. An export duty on petrol has been suggested. It has also been suggested that we should have an export duty on jute, and the export duty on hides and skins, which was our one small concession to the overburdened tax-payer, is opposed. I am reminded of the words of some one to-day, that income-tax is also a burden on the tax-payer. I was much interested to hear that. I wonder whether that is true of any other tax. The reason why the export duties are opposed is, I think, because it is rather difficult to see who the tax-payer is and on whom the burden falls. They sound popular in theory; they are dangerous things in practice as everybody knows and I think there was a general recommendation in the Fiscal Commission's report against export duties. Now, we have already had more than one debate on the question of an export duty on petrol. Opinions have differed but the Government are convinced that it would bring in a very small amount, nothing like the 40 lakhs which has been spoken of, while it would react very severely on the price, possibly, of petrol and certainly of kerosine in this country. If that is so, if it touched the price of kerosine, that would very quickly have an effect on the pocket of the very poor, much heavier than the salt tax, in spite of the fact that it would bring in much less than one-tenth of the sum expected from the other into the revenue.

I will leave my Honourable colleague the Member for Commerce to deal with the proposal not to reduce the export on hides and skins. That is a speciality. But obviously it is not really a question of covering our deficit or not however we deal with that. The reason that was put forward was the fact that it is regarded as essential in the interests of an existing export trade.

The import duty on iron and steel is the next suggestion. The House has just agreed that a Tariff Board ought to be set up. A Tariff Board is about to be set up and its first duty will be to look into the question of how to turn our unscientific revenue tariff with its protective results into the beginning of a protective tariff. Is this the moment to make a sudden change in your iron and steel position? (A Voice: "There is no difference of opinion.") I do not think there is any unanimity in this House on that subject. (A Voice: "For revenue purposes.") For revenue purposes! If it was imposed on all the railway material that was bought by the Government, it might bring in a considerable sum; but I do not think it would improve our net railway revenue. It is really a very complicated question, but for revenue purposes, a duty of the size that is suggested is out of the question; it is so obviously an important protective duty, protecting or otherwise all the numerous industries that depend on iron and steel—it is obviously a thing you cannot jump into. The next and last suggestion is the one that has become associated with the name of Sir Gordon Fraser. It has rather lost some of its pristine virtue in the course of discussion in the House. It was originally a proposal for half an anna in the rupee on all receipts from customs, excise and income-tax,—1/82 surcharge on all those receipts. When it was first put forward, I stated at the time that it was a novel idea to me and it seemed to be worth consideration. Now as an expedient, it is one to which there are

[Sir Basil Blackett.]

considerable objections, but if it was really part of a final settlement of the deficit, however objectionable it might be, provided it is limited to 1/32, say 3 per cent., it is worth consideration. But there is no unanimity in the House on that question; but supposing that we agreed, how should the balance of the deficit be covered? It would bring in 2 crores if it was imposed in full but I agree with my Honourable friend, Mr. Seshagiri Ayyar—I think it was he—that the objections to imposing it on cotton imports and cotton excise are very great. I have worked out the figures, and I come to the conclusion that if you impose it on the cotton imports and excise, whereas the whole of the proposal of Sir Gordon Fraser would bring in only 2 crores per annum as against the 6 crores in a full year which is obtainable from salt, it involves an additional expenditure of almost exactly the same number of annas per annum as the increase in the salt tax for a poor family. If you take a family, an average family of 4, and you impose a 3 per cent. duty on cotton piecegoods, you get something between 11 and 12 annas for a family per annum, which is the additional charge you are imposing on them by their share in this cotton and cotton excise duty, which is very much the same as salt.

Mr. Jamnadas Dwarkadas: Sir, we discovered in the course of the evidence before the Fiscal Commission that not more than 15 per cent. of the population use imported cloth, imported goods.

The Honourable Sir Basil Blackett: There are two possible answers to that. I was talking of an increase both of the excise and customs, but I will say this that I do not think that the manufacturer here gets the whole benefit of the difference between the customs and the excise duty.

Mr. Jamnadas Dwarkadas: I am very sorry to interrupt the Honourable Member. But if he relies on his own admission in the Financial Statement, he will find that a year of depression has set in, and the prices will be low, whether the price of foreign cloth is high or not.

The Honourable Sir Basil Blackett: Sir, I am not quite sure what my Honourable friend, Mr. Jamnadas Dwarkadas, is driving at, but I think my statement holds that an increase even to the small extent of this sur-charge that is suggested, if it is imposed on the cotton excise and on the cotton customs, will have at least as harmful an effect on the budget of the very poor as the salt tax. (*Mr. Jamnadas Dwarkadas:* "Cotton excise, yes.") I think that I need not argue it any further with my Honourable friend. If you begin to make exceptions, the most popular exception in this House seems to be the income-tax. You can cut out the income-tax. (*Voices:* "No, no.") I think the House wants to cut out the income-tax; they want to make an exception to the proposal by cutting out the sur-charge on all income-tax. There is sufficient absence of unanimity in the House to justify me anyhow. That leaves you only the Customs. If you begin to make exceptions in the Customs and still retain it at only half an anna in the rupee, the maximum you would get from it is something under a crore. It is true it has been suggested that it should be increased to an anna in the rupee. What was a dangerous and undesirable expedient then becomes a thoroughly bad tax. The original suggestion was half an anna in the rupee, but if you do more it means you are simply increasing your Customs duty, and if you are going to do that, I think it is desirable that you

should do it scientifically. I do not want to go arguing about the salt tax; I should be out of order if I did, and I have possibly been led a little further than I ought to have been in dealing with that point. The position remains that the salt tax is the proposal put forward by the Government and it is thoroughly unpopular. I would like, however, to quote two remarks that I heard during the votes for Demand Grants. One, the House will remember, by my friend, Mr. Ginwala, was that the salt tax has been universally condemned not on economic but on political grounds. Then we have a rather pretty commentary on that statement coming from an Honourable Member from the Punjab: "If anything will help non-co-operation it is the income-tax department," he said. Are we not in the position that all taxation is unpopular and the Government has made one unpopular proposal. A large number of equally unpopular proposals have been put forward by the House. There is no kind of unanimity as to which one of them we should accept. (*An Honourable Member*: "Accept the suggestion of the majority.") Is there a majority for any good tax that would cover our deficits? (*Dr. H. S. Gour*: "Customs.") I really do not think Honourable Members can say there is. If that is so, we come back to the salt tax, which is what the Government have proposed. Now we have proposed this because we want a really balanced budget this year, and if we can get it, real surpluses in the years to come. The salt tax does give us hope of obtaining such a result. In the absence of very adverse circumstances we surely could hope on that basis that the budget for next year and the year after would certainly balance, and given a few favourable results among the possible contingencies, we ought to have a balance sufficient to begin to do some of the things we want to do. Honourable Members in this House have referred again and again to expenditure on education and public health and similar services. Who spends money on education and health and similar services? It is the Provincial Governments. If you want to improve the position of the nation-building departments (I must say I do not like the phrase), the way to do it is to improve the Provincial budgets.

Dr. H. S. Gour: Let them stew in their own juice.

The Honourable Sir Basil Blackett: If they stew in their own juice it seems to me the 'nation-building' departments will stew in their own juice also. The Government's policy is, as soon as it has a surplus, to make a beginning in the reduction of the Provincial contributions. That is the Government's policy and it means to follow that policy as soon as it has a surplus. Obviously if it is going to have a deficit this year from the action of the House, it is not getting much encouragement in its policy. If the House is really anxious to secure an expansion of the 'nation-building' services, let it take action which will improve the position of those Provincial budgets. I do not confine myself merely to the provincial budgets. We have had years of expanding taxation. We may not, with that liability to the provinces, be able to look forward at a very early date to the converse, namely, reduction of taxation, but among those taxes there are some that certainly want readjusting. We want to have money to consider the tax side of our Budget, not from the point of view of what we must have but a little bit from the point of view of whether this or that tax is damaging this or that interest. We want to begin to make a reduction in some of our taxes, and, to do that, we want a steady surplus of income. I appeal, therefore to the House, I appeal to every Member of it and to all who are interested in Education and Public

[Sir Basil Blackett.]

Health, to all who are interested in the development of the industrial life of the country, to come to the support of Government in this matter. I made an appeal, which was listened to in a way that encouraged me, at the time that I introduced the Budget, that we should all work together. As a matter of fact, we have all been working together but we have got rather fissiparous, we have all got off a little bit to our own particular nostrums of doing it. Let us stick to this, that we must balance the budget, and we can balance the budget if we are prepared to make the sacrifice of voting for increased taxation if it is really necessary to do it. I do appeal to the House, let us come together and cover this deficit by our own efforts.

Sir P. S. Sivaswamy Aiyer: May I ask the Honourable Member whether the provision for maintenance of the fighting forces makes any allowance for the proposed reduction of the fighting units?

The Honourable Sir Basil Blackett: It assumes that all the reductions that are proposed by the Retrenchment Committee and were agreed to by His Excellency the Commander-in-Chief will be put into force as soon as possible. I am not, I am afraid, sufficiently familiar with the details to answer this question beyond that, but it is on the assumption that the recommendations of the Retrenchment Committee are accepted in full that those estimates were framed.

Sir P. S. Sivaswamy Aiyer: May I know when it is expected to come into force? I find that the provision for the maintenance of the fighting forces shows that the fighting forces are calculated at exactly the same strength as last year.

The Honourable Sir Basil Blackett: I think that our difficulty was that we were not able to show any other figures than the existing ones in the estimates, but it does not mean that no changes will take place during the year. I think the position really is this that, for this year,* the big and the terminal charges owing to the necessary postponement in effecting the reductions would balance the reductions that we are able to make during the course of the year. It is a method of showing the figures, but I do assure the House—and there is nothing hidden in what we have done—that we have prepared those figures on the basis that the whole of the Incheape Committee's recommendations are put into force at the earliest possible moment.

(Several Honourable Members moved that the question be now put.)

The motion was adopted.

Mr. President: The question is:

“That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, be taken into consideration.”

The motion was adopted.

The Assembly then adjourned for Lunch till Three of the Clock.

The Assembly re-assembled after Lunch at Three of the Clock. Mr. President was in the Chair.

POINT OF ORDER.

The Courtesy of Debate.

Mr. President: Before we proceed to the consideration of the clauses of the Finance Bill, there is a matter to which I wish to draw the attention of the Assembly.

When a Member has spoken, the courtesy of debate requires his presence in the Chamber during succeeding speeches. As Honourable Members will have observed this morning, a speech, of a somewhat pointed, personal and forceful character was delivered by the Honourable Member from Bombay, Captain Sassoon. The Honourable Member then left the Chamber and therefore committed, perhaps inadvertently, an act of parliamentary discourtesy. In view of the character of his own speech it was peculiarly incumbent on Captain Sassoon to remain in his place till the luncheon adjournment.

I do not wish it to appear that the censure of the Chair falls too heavily on the individual Member in question. He is entitled to the benefit of the First Offenders Act; but I wish to establish now the proper practice that the courtesy of debate requires the presence in the Chamber of a Member who has made a speech during succeeding speeches—especially if that speech is of a somewhat personal character, as in the present instance.

Mr. K. Ahmed: Is that the practice in England in the House of Commons?

Mr. President: Certainly.

Captain E. V. Sassoon: Sir, no one can regret more than I do the fact that owing to an engagement which I had to keep I was not present when the Honourable Member replied to my remarks. I can assure the House further that I, wrongly apparently, considered that the debate would have continued beyond the luncheon interval and that the reply would not be forthcoming till after that interval; otherwise, Sir, I can assure you and the House that nothing was further from my intention than to avoid being here when that reply was made.

CONSIDERATION OF CLAUSES OF BILL.

Mr. President: I think it would be convenient for the Assembly to proceed immediately to the consideration of clause 2, postponing consideration of clause 1 (Short Title, Extent and Duration) till the substantive proposals of the Bill have been considered and decided.

POINT OF ORDER.

Scope of Finance Bill.

The Honourable Sir Malcolm Halley: Sir, in the absence of my Honourable friend the Finance Member, as we are now taking up the clauses of the Finance Bill, I am compelled to ask you, if you could conveniently give us your ruling as to the admissibility of a number of amendments that have been tabled and are before the House? I refer of course to the point whether it is possible for non-official Members to put forward proposals involving increases of taxation.

Sir Campbell Rhodes: Sir, before you answer that question, I should like to ask you whether clause 67, sub-section (2), of the Government of India Act has any bearing upon this subject. It reads as follows:

"It shall not be lawful without the previous sanction of the Governor General to introduce at any meeting of either Chamber of the Indian Legislature any measure affecting the Public Debt or public revenues of India or imposing any charge on the revenues of India."

Mr. Jamnadas Dwarkadas: I wonder if again I may call to the assistance of those who have given notice of amendments the precedent established by this House in the matter of amendments of the character referred to by my Honourable friend, the Home Member. You had an instance year before last and last year; the Honourable Members from Karachi, Mr. Price in the first instance and afterwards Sir Montagu Webb, introduced an amendment to have a silver duty; that was thoroughly discussed. Whatever the fate of it was I am not concerned with at the present moment, but it was allowed to be discussed. I myself in the year 1921 moved an amendment to the effect that an import duty on yarn should be levied; that was also allowed to be discussed. Then last year, if you look at the debates, you will find that instance after instance can be found of Members having introduced amendments which were fully discussed and no point of order was raised. Therefore, Sir, I hope that the House, having been entitled to move amendments in the last two years, the practice will be continued this year, especially when the suggestion for an alternative is, I should say, inevitable.

Dr. H. S. Gour: May I also, Sir, in this connection point out that section 67 (2) to which my friend, Sir Campbell Rhodes, has referred merely deals with the introduction of any measure, an independent measure, and does not rule out an amendment to an existing measure introduced by the Government and under discussion by this House.

The Honourable Sir Malcolm Hailey: I have only asked of course for your ruling on this matter, and in the course of giving your ruling you will, no doubt, interpret for us the meaning of the words to which Dr. Gour has referred. But with reference to what Mr. Jamnadas Dwarkadas has said, I may remind him that the majority, if not all, of the motions to which he has referred just now were motions for the transfer of a particular article from one section to another of the Schedule

Mr. Jamnadas Dwarkadas: That is a technical distinction.

The Honourable Sir Malcolm Hailey: There are of course on the paper before us motions which do not refer to the transfer of articles from one section to another of the Schedule, and indeed which refer to Acts which are not before the House at all. I merely wish to point this out to you, before you give your ruling.

Mr. President: There are really two points of order before the House. The first raises the question of the scope of the Finance Bill, and the amendments which will be in order in respect of its scope. The Finance Bill recites the Acts proposed to be amended. Acts not there recited will not be open to amendment by the House.

The second point is the question whether amendments proposing increases in taxation will be in order. The point raised by Dr. Gour seems to me to be one for legal argument and interpretation as to whether a measure, in the words of the Statute, must be held to cover an amendment or not.

On that I am not prepared to pronounce, but if it were held that the word 'measure' did include amendment, then I think the Chair would have to rule that that section could not be held to apply to the ordinary process of amendment because in that case it will not only rule out motions to increase a tax, but also motions to reduce it. Therefore I put that on one side.

There being nothing in the Rules and Standing Orders relating to amendments to the Finance Bill proposing increases of taxation, we are, I think, thrown back upon the procedure of the House of Commons upon which this procedure is based. I think it is obvious that the Imperial Parliament intended to confer the same powers and the same restrictions regarding the levy and appropriation of public revenues which it itself enjoys. Neither the House of Commons nor the Legislative Assembly is empowered to increase a demand for a grant. The House of Commons is equally forbidden to increase a tax. That general principle has been laid down many times, and I think that it is one which we ought to apply here. Therefore those amendments which propose increases of taxation will not be in order.

Sir Montagu Webb (Bombay: European): May I point out that the effect of this ruling will be this: This House is asked to consider legislation to provide the money for carrying on the work of administration next year, yet some of these amendments of the Tariff Act cannot be discussed as they add to the revenue. If we have not the power of proposing alternative variations in the Tariff Act, then this House has only power to cut down proposals for revenue, and produce deficits.

Mr. President: I think I can meet the Honourable Member's point at once. I have suggested in a previous ruling this morning that the discussion on clause 2 which increases the rate of the salt duty shall proceed on the basis not merely of the salt duty itself but of alternatives to it, and if in the course of the debate it is clear that there was—I shall not say unanimity—but a general agreement that a certain alternative is preferable to the salt duty, then that alternative could not be made effective in the present measure except on the motion of a Member of the Governor General's Executive Council. It is not that the proposals are excluded from discussion, but that they cannot be moved on a motion of a non-official Member. That is in strict accord with parliamentary practice in the House of Commons where a motion to propose an increase of tax must be made by a Minister of the Crown.

Dr. H. S. Gour: May I, Sir, in this connection inquire whether if the Government proposal is for the decrease of the tax, as for instance, under clause 2 of section 3, an amendment maintaining the *status quo ante* would be in order.

Mr. President: The existing charge is in the Indian Tariff Act as now on the Statute Book. Therefore, that item could not be held as a proposal to increase the tax.

Rao Bahadur T. Rangachariar: Sir, if I heard the Honourable the Leader of the House aright, he made a distinction between new proposals and proposals which merely tend to transfer one item from one part of the schedule to another, but the effect of the transfer will be to increase the duty. Would that be in order, Sir?

Mr. President: No; that falls under the ruling too.

Mr. Jamnadas Dwarkadas: With your permission, Sir, I will say this. Take an article which is at present classed under the 15 per cent. tax. But if any Honourable Member suggests that this article should be transferred from the ordinary list to the list of articles of luxury, will it be open for him to do that, Sir?

Mr. President: The point is somewhat hypothetical. I should like to deal with it as a specific instance, but I think the general principle of the ruling must be held to apply there also.

Rao Bahadur T. Rangachariar: For instance, there is also a proposal of mine to transfer Steel and Iron from one part of the Schedule to another part of it, but in the same schedule. But the difference will be in the percentage which will be fixed upon it, for one is, I believe, 15 per cent. and the other is 20 per cent. It is really the Government amendment, and I propose another amendment with reference to those three items which are under consideration.

The Honourable Mr. C. A. Innes (Commerce and Industries Member): I should like to point out that the amendment proposed by Government in regard to the items mentioned by Mr. Rangachariar is merely to alter the wording in accordance with the Machinery Committee's Report. We have not proposed any alteration in the rate of tax. May I point out, Sir, that from the point of view of the Commerce and Industries Department, and of the trade and commerce of the country, it seems to me to be a very dangerous precedent that a proposal to increase the duty on very important classes of imports like that is liable to be sprung upon the trade and commerce of the country at two days' notice.

Sir P. S. Sivaswamy Aiyer: Sir, in view of the decision which you have just given and which you have told us represents the practice in the House of Commons, I do not propose to argue this point. But I just wish to make one last appeal to the non-official Members of the House, and it is this; that, unless we can come to some sort of agreement among ourselves as to what alternative or substituted tax we shall have and unless we cease to ride our individual hobbies to death. Unless we can come to an agreement among ourselves, we shall not be in a position to come to terms with the Government and make some definite suggestions to the Government, so that they may initiate the necessary constructive proposals themselves. We shall then be landed in very undesirable consequences. The result of our failing to reach anything like a fairly unanimous and on the whole acceptable conclusion will be that we shall not be able to introduce any one of the alternatives or get the Government to consider it, and, on the other hand, we may succeed in throwing out the proposal for enhancement of the duty on salt but throwing it out merely for the pleasure of throwing it out without succeeding in getting it out of the Statute Book. The result will be that, if we reject the salt tax and cannot constitutionally or in any regular manner get any alternative tax introduced, His Excellency the Viceroy will be obliged to restore it. (*Honourable Members:* "Why"?) That I think will be necessary. (*Honourable Members:* "Let the Government make other proposals.") There will be a deficit and I do not think it is reasonable for us to expect that the Governor General will or can contemplate with equanimity the accrual of another deficit for another year. The natural and the probable and reasonable result of our action in throwing out the salt tax without being able to substitute something else in its place, will be to have the salt tax restored and thus bring about the very result which all

of us are anxious to avoid. (*Honourable Members*: "No.") And I therefore, make, with all the earnestness at my command, an appeal to Honourable Members of this House that, if it were possible to arrive at something like a fair agreement by getting a little more time for discussion among ourselves, I would suggest, that the discussion of the details might be adjourned till to-morrow.

Rao Bahadur T. Rangachariar: In any event, we are not agreeable to the salt tax. If the Government will accept anything else.

Sir P. S. Sivaswamy Aiyer: Unless we can agree upon some alternative, unless there is a chance of that alternative proposal being carried, the Government will not see its way to putting it forward on their own responsibility. That will be the result. If we are able to tell the Government that certain proposal will be acceptable to the House as a whole then we may expect the Government to put it forward. If the Government cannot put forward a constructive proposal as an alternative and if we cannot do it constitutionally, then the results which I have pictured are bound to ensue. If the other Members of the House think that there is any prospect of any agreement by adjourning the House now and meeting together and considering this matter, I would move that adjournment. Otherwise, not.

Mr. T. V. Seshagiri Ayyar: May I say a word, Sir?

Mr. President: The original question was that clause 2 stand part of the Bill, since which an amendment has been moved that the debate be now adjourned.

Mr. T. V. Seshagiri Ayyar: May I say a word now, Sir? My Honourable friend is placing us in a very awkward and a very undesirable position by making a suggestion of this kind. We do not know what is in the minds of the Government. We wanted that certain things should be done as regards the salt tax. We also made constructive proposals, but on the motion of the Leader of the House you have ruled, Sir, that those constructive proposals cannot be discussed. If the Government brings . . .

Mr. President: I have not given any such ruling. These subjects can be discussed but they can only be carried into law on a motion by a Minister of the Crown.

Mr. T. V. Seshagiri Ayyar: I understood they can be discussed only if they are put forward by a Minister of the Crown.

Mr. President: The Honourable Member has forgotten the arrangement which we came to this morning. They can be discussed on the motion for salt tax as possible alternatives but they can only be made operative, that is, they can only be put into law on the motion by a Member of the Executive Council.

Mr. T. V. Seshagiri Ayyar: I have followed that. I am sorry if I have not expressed my meaning clearly. What I say is, no constructive addition to the taxation can be made unless it be by a motion made by a Member of the Government. That is what I understood the position to be. There is no use discussing the matter unless there is any chance of its becoming law, and therefore, it is for the Government to say and to suggest on what matters they are willing to take the sense of the House and on what matters they are prepared to see that that sense is carried into

[Mr. T. V. Seshagiri Ayyar.]

effect. There is no use of an academic discussion on a matter which cannot ultimately be given effect to. In these circumstances, Sir, the position taken up by my Honourable friend seems to be somewhat unfortunate. So far as one question is concerned, there is no difference of opinion, and that is upon the question of salt tax. After we have discussed that and come to a decision if my Honourable friend moves for the adjournment of the House for considering on what matters the Government want the decision of the House, then it would be timely. But upon this question of salt tax, there is no difference of opinion and there is no use adjourning the House just at present.

Chaudhri Shahab-ud-Din (East Central Punjab : Muhammadan): Sir, the Honourable Mr. Seshagiri Ayyar has been speaking for Members on this side of the House. I do not know whether he considers me on this side or on the other side.

Mr. T. V. Seshagiri Ayyar: I did not speak for you.

Chaudhri Shahab-ud-Din: Please listen. A number of Members in this House,—and I can say this without fear of contradiction—whatever may be the pretensions of those who are against the salt tax,—will vote for it, if they are assured that some other kind of tax is going to be imposed and accepted by the Government or by the House. Unless that question is decided satisfactorily, there are some who are not going to oppose the salt tax, and I may tell Mr. Seshagiri Ayyar that he is mistaken and should not count upon a number of Members on this side of the House.

Mr. T. V. Seshagiri Ayyar: We will see about it.

Chaudhri Shahab-ud-Din: If we are assured that such and such a tax is going to take the place of the salt tax, we may vote with those who are against the salt tax. But if it is meant that the salt tax must be thrown out first and then some other tax, which may not affect uniformly all tax-payers of India, shall be imposed, then not only I but a number of Members will oppose the salt tax. That is the position and apart from considering what the attitude of Government in this matter will be, that is the question to be considered. We are prepared to throw out the salt tax provided you are prepared to accept some other kind of tax and this must be settled first. We must decide upon the form and amount of the tax, and then and then alone some of us will be prepared to oppose the salt tax. Otherwise, we shall firmly vote in its favour, because we consider that the tax we impose must be a uniform tax, and affect every man equally in the land. In my opinion every one should contribute equally for the maintenance of internal peace and order and for protection from external aggression. Those people who say that the salt tax must be thrown out because it is a very hard tax, a very dreadful tax, have not given any reasons.

Mr. President: The motion before the House is that the debate be adjourned and the arguments brought forward by the Honourable Member must be addressed to that point. The real question is whether it is possible on the floor of the House now to decide whether a satisfactory alternative to salt tax can be found or not, and if it cannot be found on the floor of the House, it may not be found by an adjournment during this afternoon.

Chaudhri Shahab-ud-Din: For these reasons I strongly support the motion for adjournment moved by Sir Sivaswamy Aiyer.

Dr. H. S. Gour: Honourable Members must realise that we are on the threshold of a grave constitutional crisis. Consequently nothing that we say or do should be done in a moment of hurry. But at the same time, the Honourable Sir Sivaswamy Aiyer's motion for an adjournment would have been well-justified if we had received any encouraging nod from either the Finance Member or any other occupant of the Treasury Benches. All the possible avenues for taxation, all the possible substitutes have been threshed out outside the House, and presented on the floor of this House this morning for the consideration of Government. Sir Sivaswamy Aiyer has himself made a very constructive proposal, but unfortunately for Members on this side of the House the Honourable the Finance Member has categorically dealt with each one of those proposals and rejected them. I do not understand that the Honourable the Finance Member is in a position to reconsider his decision, and unless he is in a position to reconsider that decision, I do not think that we shall gain anything by acceding to the motion for the adjournment of the House. What possible forms of taxation remain to be discussed upon which Members may informally or formally put their heads together? The Honourable the Finance Member in the course of his budget speech and later on in the course of the budget discussion has very clearly indicated that he and other Members of the Government of India have explored every avenue as a substitute for the salt tax, and I can assure the Honourable the Finance Member and his colleagues on the Treasury Benches that we have not been remiss in our anxiety to find substitutes and the substitutes that we offered to him this morning appear to be the only substitutes possible for the salt tax. In this view, unless he is in a position to reconsider his rejection of the proposals made this morning, it seems to me futile to adjourn the House for a further consideration. The Honourable Sir Sivaswamy Aiyer has not made any constructive proposal other than the proposals made, discussed and rejected this morning, and unless we are in a position to have a fresh matter to discuss with the Members of the Government I do not think we shall be well-justified in asking the House to adjourn this sitting and go into the lobbies or elsewhere to discuss proposals of a nebulous character upon which individual Members may agree but the House may not. I, therefore, suggest that nothing will be gained and time will be lost in acceding to the motion made by the Honourable Sir Sivaswamy Aiyer.

Mr. J. P. Cotelingam (Nominated: Indian Christians): Sir, I think the proposal for adjournment made by the Honourable Sir Sivaswamy Aiyer is a constructive proposal. A number of recommendations were made this forenoon by various Members of this House in order that the taxes so recoverable may cover the imposition of the salt duty to which nearly almost all the non-official Members are opposed. I think, Sir, if the proposal of the Honourable Sir Sivaswamy Aiyer is accepted by the House, that will give all the non-official Members an opportunity to come to some unanimity in the matter of fresh taxation, which may meet with the approval of the Finance Member. I would, therefore, urge that the House agree to the motion for adjournment in order that we may have time to consult and come to some conclusion.

Mr. Pyari Lal (Meerut Division: Non-Muhammadan Rural): Sir, I feel that the situation is one which we must approach in a spirit of give and take. Unless that spirit is present, there is no use adjourning the House. When the Honourable Sir Sivaswamy Aiyer made his motion,

[Mr. Pyari Lal.]

I thought he had received some encouragement, some hint, from Government that they were prepared to accept any alternative proposal that was unanimously made by the non-official Members of the House; but from what Dr. Gour has expressed and suggested, it does not appear to be the case. Therefore, I think no good object will be served by adjourning the House at this time. The situation that would arise would be simply this. Supposing all of us agreed that instead of the salt tax some other tax or taxes should be levied, supposing we unanimously agreed to that proposition and we went to the Government with it, and the Government discarded it, what would be the result? All our labour would be simply lost. Therefore, unless the Government side are equally agreeable to any alternative proposal that we make, there is no use adjourning the House.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Sir, most of the speakers to-day in joining this discussion have referred to "we on this side" or "we on that side" of the House, but, I will say, that we, in this corner of the House, do not approve adjourning the House for this purpose.

Mr. S. C. Shahani (Sind Jagirdars and Zamindars: Landholders): Sir, my feeling is that we are almost unanimous with regard to surcharge of Customs and Income-tax. (Voices: "No; we are not; absolutely not.") At any rate, the majority of this House will accept it. There should be no difficulty then in removing the proposed enhancement of the salt duty. I propose that we do adjourn to come to some understanding. There is a possibility of our differences being very amicably adjusted.

The Honourable Sir Malcolm Hailey: I am afraid that Sir Sivaswamy Aiyer's proposal took the House somewhat by surprise, and perhaps for that reason some of my friends opposite did not at first welcome it. I will tell the House what our own attitude is on the question. I recognise that Sir Sivaswamy Aiyer put it forward purely on his own account, and purely out of that desire which he has always shown to arrive at a decision more satisfactory than is likely to be attained by controversy in the House or by voting in the division rooms. When the Honourable Finance Member addressed the House this morning it was clear that of the various alternatives that had been under discussion, no one course seemed to commend itself to every section of the House. Even this afternoon in discussing merely the question of the adjournment some differences of opinion on the suggested alternatives have begun to manifest themselves. I can certainly say that we feel on our side that it would be an advantage if the House could be given an opportunity of seeing whether those who are opposed to the proposals of Government cannot consolidate on any one alternative proposal. If that were done, at all events the air would be clearer; at all events we should know whether we had then anything before us which we could accept. For that reason, and because I believe that these questions often do yield to informal discussion when they prove intractable to discussion across the floor of the House, I would support Sir Sivaswamy Aiyer's proposal; if we could discuss the matter between ourselves even for an hour we might do good. Certainly I do not think that it would be a waste of the time of the House.

Mr. President: The question is that the debate be now adjourned. The motion was adopted.

The Assembly then adjourned till Five Minutes to Five of the Clock.

The Assembly re-assembled at Five Minutes to Five of the Clock. Mr. President was in the Chair.

Sir Campbell Rhodes: Sir, I beg to move the adjournment of the House until to-morrow.

Mr. President: I cannot accept a motion for the adjournment of the House, because the power to adjourn the House lies with the Chair. I understand from the Honourable the Commerce Member that the Home Member will make a brief statement before we adjourn. I understand it is the intention to ask the Chair to adjourn the Assembly now. I therefore propose to wait till the Home Member can be in his place.

The Honourable Sir Malcolm Hailey: We are grateful to you for allowing the adjournment this morning. We have, I think, made a certain amount of progress; though we have not arrived at accord, we have managed at least to define our positions more clearly. It is our general desire, Sir, that you should allow us a further opportunity of discussion by adjourning the House till the usual hour to-morrow.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 20th March, 1923.

LEGISLATIVE ASSEMBLY.

Tuesday, 20th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

INTERMEDIATE CLASS CARRIAGES ON BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

598. ***Munshi Iswar Saran:** (a) Is it a fact that there is no intermediate class carriage on B. B. and C. I. Railway running between Agra and Cawnpore?

(b) Is Government aware that the absence of this class of accommodation is a source of great inconvenience and hardship to the travelling public?

(c) Will early steps be taken to provide this accommodation?

The Honourable Mr. C. A. Innes: (a) The reply is in the affirmative.

(b) Government have no information to that effect.

(c) The Railway Administration is watching the result of providing intermediate class accommodation on trains between Bombay and Viramgam before introducing this class of accommodation on other services.

Rai Bahadur Bakshi Sohan Lal: Is it also a fact that there is no intermediate or third class on the Bombay Mail running between Lahore and Peshawar?

The Honourable Mr. C. A. Innes: I do not think that that question arises, Sir.

POTATO TRAFFIC FROM FARRUKHABAD.

599. ***Munshi Iswar Saran:** (a) Is it a fact that Farrukhabad in the United Provinces produces a great deal of potato which is sent to other places in the country?

(b) Is it a fact that the increase in the railway rates is threatening to seriously interfere with the export of potato from Farrukhabad?

(c) Is it a fact that the short supply of wagons to the potato dealers in Farrukhabad between January and May produces great loss and hardship?

(d) Is it a fact that there is considerable dissatisfaction against the goods department at the Farrukhabad railway station?

The Honourable Mr. C. A. Innes: (a) The reply is in the affirmative.

(b), (c) and (d). Government have no information. Enquiry has been made and the result will be communicated to the Honourable Member in due course.

PRINCE OF WALES' SPECIAL TRAIN.

600. ***Mr. Mohammad Faiyaz Khan:** (a) Will the Government be pleased to state the cost of the special train made last year for His Royal Highness the Prince of Wales while visiting India?

(b) What has become of that special train?

The Honourable Mr. C. A. Innes: (a) His Royal Highness the Prince of Wales' special train was built at a cost of Rs. 9.26 lakhs (of which Rs. 6.12 lakhs represent the cost of material subsequently to be used for the ordinary purposes of the Railway for which it was originally obtained).

(b) The train was made up of eleven coaches which are being disposed of as follows:

One coach was sold to the Government of Bihar and Orissa for the use of the Governor of that province,

Six are being converted into ordinary stock for public traffic, and

Four have not yet been finally disposed of, but they will probably be used for additions or replacements of stock.

Mr. K. Ahmed: At what price have they disposed of it to the Government of Bihar and Orissa?

The Honourable Mr. C. A. Innes: I must ask for notice of that question.

EXECUTIVE MEMBER'S BOGIE CARRIAGE.

601. ***Mr. Mohammad Faiyaz Khan:** What is the cost of making an eight wheeler bogie carriage for the use of an Executive Council Member of Government of India?

The Honourable Mr. C. A. Innes: No carriage has been built for a Member of the Executive Council for many years. The existing carriages were built mostly at a cost of about Rs. 28,000 each. It is estimated that carriages of the same type, if built now, would cost about Rs. 50,000.

Mr. K. Ahmed: Is the cost of these carriages made for Members of the Executive Council votable or non-votable?

The Honourable Mr. C. A. Innes: No demand for money for building a carriage of this kind has been put before the Legislative Assembly or is likely to be put before the Legislative Assembly.

MUTUAL BENEFIT SOCIETIES IN MADRAS.

602. ***Mr. M. G. Mukundaraja Ayyangar:** Did the Government of India receive memorials, communications or written representations from the Secretaries of the several Permanent Funds in the Madras Presidency in January and February, 1923, that:

(a) the Mutual Benefit Societies earning small profits, sometimes much less than the taxable minimum in the case of other persons under the Finance Act, 1922, suffer a great deal by their being liable to pay income-tax at the uniform rate of one anna six pies in the rupee, whatever their income;

(b) rules may be framed prescribing the Mutual Benefit Societies which come under the Indian Income-tax Act;

(c) the provisions in the explanation to section 10 (2) (iii) of the Income-tax Act XI of 1922 be not made a dead letter by not framing any rules under the Act?

The Honourable Sir Basil Blackett: The answer is in the affirmative.

MUTUAL BENEFIT SOCIETIES: EXEMPTIONS UNDER INCOME-TAX ACT.

603. *Mr. M. G. Mukundaraja Ayyangar: (1) Is it a fact that representations were made by a large number of Mutual Benefit Societies in the Madras Presidency, requesting the Government to make under section 60 of the Income-tax Act exemption in the case of Mutual Benefit Societies, and make clause A, Part I. of III Schedule of the Finance Act, 1922, applicable to them instead of Part B?

(2) Are the Government aware that the Mutual Benefit Societies are not satisfied with the way in which their representations were disposed of?

(3) Are the Government also aware that the way in which these representations were disposed of, was against the assurances given by the Government in this House when the Income-tax Bill was under discussion last year?

(4) If so, do the Government propose to have rules under the Income-tax Act, to relieve these Societies from the hardship to which they are now subject?

The Honourable Sir Basil Blackett: (1) Representations were received from several societies asking the Government to make special arrangements under section 60 of the Income-tax Act.

(2) The societies were informed that action was postponed pending a decision of the High Court to which reference had been made at the instance of one of the societies as to whether profits of such societies are taxable.

(3) The offer of the Government to make special arrangements under section 60 was rejected by the Assembly which inserted instead the Explanation to section 10 (2) (iii) of the Act.

(4) I would refer the Honourable Member to the reply given to question No. 158 at the meeting of the Legislative Assembly on the 12th February 1923.

Rao Bahadur T. Rangachariar: Sir, with reference to the High Court case referred to here, is it not under the old Act?

The Honourable Sir Basil Blackett: I do not think so, but I am not certain of the facts.

UNSTARRED QUESTIONS AND ANSWERS.

REGISTRATION OF AEROPLANES.

240. Mr. Saiyed Muhammad Abdulla: Will the Government be pleased to state what steps are taken after the registration of aeroplanes to inform the fact to the District Officers or Political Officers concerned to give publicity in the areas where the aeroplanes are to be used?

Colonel Sir Sydney Crookshank: Up to the present no such intimation has been furnished. The Government of India are, however, prepared to communicate the registration of aeroplanes to the Local Government or Administration concerned, leaving it to them to take such action as they may deem necessary.

LEAVE OF MR. J. K. N. KABRAJI.

241. Mr. W. M. Hussanally: (a) With reference to the answer given by the Honourable Finance Member to my question No. 359, at Simla, is the Government of India aware that Mr. J. K. N. Kabraji, late Member of the Legislative Assembly, was granted by the Government of Bombay privilege leave for 5 months and five days from 26th October, 1921; that after having enjoyed leave for 1 month and 28 days only Mr. Kabraji came to Delhi on 24th December, 1921, having been authorised by the Government of Bombay to attend the Delhi Session of the Legislative Assembly; that Mr. Kabraji attended the meetings of the Standing Finance Committee from 2nd January, 1922, and thereafter the whole Session of the Legislative Assembly up to 28th March, 1922; that Mr. Kabraji's request to the Government of Bombay to count as duty the period of such attendance has been refused by that Government in their letter No. S.-20-2, dated 7th April, 1922, and again in their letter No. S.-20-2, dated 13th November, 1922, even after the answer to my question No. 359 had been communicated to that Government and without giving reasons for disregarding the ruling of the Government of India; and that Mr. Kabraji has consequently enjoyed only privilege leave for one month and 30 days excluding Christmas holidays, instead of 5 months and 5 days?

(b) Is it a fact that under the Leave Rules Mr. Kabraji could suffix Christmas holidays to the privilege leave enjoyed up to 23rd December, 1921, as he joined duty at Delhi after the Christmas holidays on 2nd January, 1922?

(c) In the circumstances does the Government of India propose to point out to the Government of Bombay that the period of Mr. Kabraji's attendance at Delhi must be counted as duty in view of the answer of the Government of India to my previous question?

The Honourable Sir Basil Blackett: I am having the matter investigated and will inform the Honourable Member of the results as soon as possible.

1ST AND 2ND CLASS RAILWAY TICKET CONCESSIONS.

242. Mr. Sambanda Mudaliar: (a) Will the Government be pleased to state the reason and circumstances under which the old system of issuing return first and second class tickets at reduced rates according to the practice that was in vogue some years back was discontinued by the authorities of the S. M. Railway and S. I. Railway?

(b) Having regard to the increase of rates, will Government be pleased to direct the authorities of S. M. Railway and S. I. Railway to adhere to the old system of issuing return first and second class tickets at reduced fares?

Mr. C. D. M. Hindley: (a) The system was discontinued not only on the Madras and Southern Mahratta and South Indian Railways but on all the other important railways. This measure was necessitated by the conditions brought about by the war.

(b) The Honourable Member is referred to the answer given to question No. 522 in this Assembly on the 9th March 1923.

INTERMEDIATE CLASS ACCOMMODATION ON MADRAS RAILWAYS.

243. Mr. Sambanda Mudaliar: (a) Is Government aware of the fact that there are no intermediate compartments in the mail and passenger

trains running between Madras and Mettupalaiyam and the inconveniences which middle class people are put to?

(b) Will Government be pleased to direct the early introduction of intermediate compartments in the said railways to facilitate travelling?

Mr. C. D. M. Hindley: (a) The reply is in the affirmative, but Government is not aware of the alleged inconvenience referred to.

(b) Government are informed that intermediate class accommodation is not provided in passenger trains as there is no demand for it.

Intermediate class accommodation will be provided in the mail trains as additional stock is built. The present stock is unsuitable for the purpose.

TAXES ON MOTOR CARS.

244. **Lala Girdharilal Agarwala:*** (a) Is it a fact that motor car owners who purchase a car for Rs. 4,000 have to pay taxes on it in the first year amounting to Rs. 1,297 and thereafter nearly 10 per cent. of the initial cost every year subsequently as printed in the *Pioneer* of Allahabad, dated 8th March, 1923, at page 14?

(b) Are the Government aware that the United Provinces Government proposes to impose a further tax of Rs. 180 yearly on each motor car?

(c) If the reply be in the affirmative, do the Government propose to do anything in the matter?

SWEETMEAT STALLS AT STATIONS.

245. **Rai T. P. Mukherjee Bahadur:** (a) Will the Government be pleased to state the procedure adopted in making settlements of sweetmeat stalls, etc., at important Railway stations?

(b) For how many years at a time are those stalls generally settled?

(c) Are those stalls sold at a public auction? If so, is there any rule for the purpose? And will the Government be pleased to lay a copy of the rule on the table?

Mr. C. D. M. Hindley: (a) and (b). The procedure varies on different railways both in regard to the charging of fees and the term of contract, but the ordinary practice is that a nominal charge or license fee is made to vendors and contractors licensed to sell sweetmeats, etc., on station platforms, and contracts are usually made annually. As stated by me on 16th March 1923 in reply to question No. 565 in the case of the North Western Railway, no license fee is imposed on vendors.

(c) The reply is in the negative.

RECEIPTS FROM STATION VENDORS.

246. **Rai T. P. Mukherjee Bahadur:** Will the Government be pleased to state the amount received every year from the station vendors?

Mr. C. D. M. Hindley: The Honourable Member is referred to the answer given on the 5th February 1923 in this Assembly to item (4) of Question No. 141 asked by Lala Girdharilal Agarwala in a similar connection.

* The reply to this question will be printed in a later issue of these Debates.

REDUCTION OF BRITISH TROOPS IN INDIA.

Mr. E. Burdon (Army Secretary): Sir, I understand that some misapprehension has been created in regard to the position which has actually been reached in the matter of the proposed reduction of British troops in India, and with your permission, Sir, I should like to have an opportunity of removing that misapprehension. Actually the position is as follows:

His Majesty's Government have agreed, both in principle and in detail, to the reductions in British Infantry. These amount to a total reduction of something over 5,000 British soldiers from the existing establishment. The other two important recommendations with regard to reduction of British troops were the reductions of Artillery and British Cavalry. The position as regards these is as follows:

The House is aware that the Incheape Committee proposed and His Excellency the Commander-in-Chief agreed to, amongst other things, reductions which included the equivalent of an entire Brigade of Artillery. His Majesty's Government are at present considering whether that is the most suitable form which the reduction of artillery should take. I would put the matter like this to make it as clear as possible to the House. One method of effecting the reduction is to abolish an entire brigade, that is to say, we should then have 10 instead of 11 brigades of artillery. Another alternative form would be to retain the whole of the 11 brigades but to retain them at a lower establishment, that is to say, with fewer horses, fewer guns and fewer men, and the guns which would be put out of commission in peace time would be kept in store and would be available to be drawn upon in the case of mobilisation or emergency. A similar question is under discussion as regards the British Cavalry, that is to say, whether entire units should be disbanded or whether the units should be retained at a lower establishment; for example, you may have three squadrons instead of four squadrons. Now, the question which form the reduction should take is a purely technical military matter. Naturally every one concerned is anxious that the reduction should do as little harm as possible. On the other hand, whichever technical expedient is adopted, so far as the financial aspect of the matter is concerned, it is immaterial. The pecuniary saving would in either event be obtained, and I am able to inform the House that in principle His Majesty's Government have agreed, subject to the settlement of the form, to the pecuniary saving of the amount required being carried out.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadian): Sir, may I in this connection inquire how far His Majesty's Government have accepted the proposal formulated, if any, by the Government of India accepting the recommendations and Resolutions passed last year on the Esher Committee's Report, that the Army in India shall be primarily and solely maintained for the defence of India and not for any Imperial purposes; secondly, what were the recommendations of the Government of India regarding the reduction of troops in consequence of the Resolution of this House; thirdly, what were the reductions actually sanctioned by His Majesty's Government and what reductions were vetoed by His Majesty's Government?

Mr. President: I think the questions asked are important and should appear on the paper with notice.

Mr. E. Burdon: I am quite willing to answer them, Sir. The answer to the first part of the question—I am not sure I got the third part

correctly, perhaps my Honourable friend will repeat it later on—but as regards the first part—what action has been taken with regard to the Escher Committee Resolutions—well, a very long printed statement was laid on the table of this House not so very long ago, in response to a question; and that contains the information which the Honourable Member desires. With regard to the particular Resolution to which he referred, I may say that that Resolution has been accepted by everybody concerned, I am speaking of the Resolution regarding the maintenance of the Army in India solely for the requirements of India—that is the Resolution to which I think my Honourable friend referred. The second part of the question I am afraid has escaped me

Dr. H. S. Gour: The second part of my question was, what was the actual reduction recommended by the Government of India in the British troops in this country and what were the reductions actually sanctioned?

The Honourable Sir Malcolm Hailey (Home Member): That was not the Honourable gentleman's question. What he asked was, what was the reduction recommended as the result of the Resolution of this House. As a result of the Resolution of this House no reduction was involved and no reduction was recommended.

Dr. H. S. Gour: I modify the question now, Sir. What was the reduction recommended by the Government of India?

Mr. President: I think the result has proved that the Chair was right; the question must be put down with notice.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): If the Chair will permit me, Sir, may I inquire whether anybody either from India or from England representing the Government of India went and took part in the Brussels International Conference where it was decided only about two years ago that no nation should keep up an army incurring a cost of more than 20 per cent. of the revenues of that country?

Mr. President: That also had better be put on the paper.

THE BUDGET—THE INDIAN FINANCE BILL.

FINAL STAGE—concl'd.

Mr. President: The House will now resume the consideration of the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, I do not propose to move my amendment* unless you allow me to amend it in the terms in which it is put by some of my friends lower down. At the same time I admit that it might be said that since others have given notice of Resolutions on the same lines, I should have no precedence in a matter like this. Therefore if you would allow me to move one of the amendments of which notice has already been given, I will move; otherwise I withdraw my amendment.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): I object to any such procedure.

* "Omit clause 2 of the Bill and re-number the subsequent clauses."

Mr. T. V. Seshagiri Ayyar I have not sat down yet.

Mr. President: The Honourable Member had better sit down now. If the Honourable Member does not move his amendment I must call on Mr. Jamnadas Dwarkadas.

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadian Urban): I stand in the same position, Sir, as Mr. Seshagiri Ayyar; I prefer the other amendments.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadian): I move:

"That clause 2 of the Bill be omitted."

(*Cries of 'No.'*) Sir, Honourable Members have already in their possession a copy of the Finance Bill containing clause 2. I shall not, therefore, read it for the information of the House. The purpose of my amendment is to move that the duty on salt be not enhanced. This has been the subject of prolonged discussion in this House, and Honourable Members will remember that a similar motion moved by Government on the last occasion during the last budget was considered, debated and defeated by the vote of this House. That was, Sir, also a deficit year. This year again we have a deficit, though a smaller one. The question arises whether we should or should not balance the budget. On that question Honourable Members have expressed their views with no uncertain voice in the course of general discussions. We are all agreed that the budget must be balanced, but we have suggested ways and means for balancing the budget. All our suggestions have been rejected by the Honourable Finance Member

Mr. Jamnadas Dwarkadas: May I rise to a point of order? Last year this was the ruling that you were pleased to give with regard to the amendments being moved. Mr. Spence asked:

"May I know in what order the amendments are taken up? There is no reference in the printed documents which we have in hand."

The President said:

"The Title and the Preamble to the Bill come last. Therefore the amendments on the first page cannot be moved just now. When I called upon Rao Bahadur Rangachariar to move his amendment to clause 1, he made a reasonable suggestion, to postpone. In items 13 to 24 the motion that clause 2 be omitted is unnecessary—in fact it is not allowed by the Standing Orders—and therefore we come to item No. 25 where Mr. Joshi desires to substitute the words 'one rupee and four annas' for the words 'two rupees and eight annas' in the clause imposing the enhanced salt duty."

Sir, you ruled last year that it was not only unnecessary—amendments of this character—but that it was not allowed by Standing Orders. May I ask your ruling now whether this amendment is in order?

Mr. President: Which Standing Order does the Honourable Member refer to?

Mr. Jamnadas Dwarkadas: I have quoted from the passage that you yourself, Sir, referred to; this is from your speech

Mr. President: If the Honourable Member will read Standing Order 33, he will see that that ruling was given under a misapprehension regarding the scope of the existing Salt Act. The Honourable Member will see that the Standing Order No. 38 says that an amendment may not be moved which has merely the effect of a negative vote. I admit at that

time I thought it merely had the effect of a negative vote, and it was not, I think, till later in the debate that I discovered that it had a positive effect, because it restored salt to its original position; it was more than a direct negative.

Dr. H. S. Gour: Sir, I was going to say when I was interrupted that we have explored every possible avenue and made our suggestions for the consideration of the Government. All these suggestions have been rejected by Government. The sole question, therefore, that the Government wish to press for the consideration of this House is the question relating to the enhancement of the salt tax. Now, Sir, I should like clearly to define for the non-official Honourable Members the position regarding the enhancement of the salt duty. There can be no doubt that the whole country is unanimously opposed to the enhancement of the salt tax. We are the representatives of the people of this country. (A Voice: "Why was it imposed last year?") We have received a mandate in no uncertain terms that we should not vote for the enhancement of the salt duty. As representatives of the people, whatever may be your personal views, you are bound to carry out the wishes of your constituency. It would be in accordance with parliamentary constitution and tradition. In England a duty on tea was sought to be levied. Members of the House felt that a duty on tea would affect the general tax-payer in a very small way and that it would not perceptibly increase the price of tea, and yet they were bound to obey the mandate of their constituents and oppose the tea duty. I submit, therefore, it would be in accordance with parliamentary constitution and tradition for the Members of this House to carry out the behests of their constituents. If they do not follow the views of their electorates, they cease to represent them, and whatever therefore may be their personal views either on political or economic grounds, I submit, standing as we do here as representatives of the people of this country, we must and are bound to voice their views and give effect to their representations. In ordinary circumstances, that would, I submit, close the matter so far as we, the elected non-officials in this House, are concerned; but we have other reasons to oppose the enhancement of salt duty. It has been said by the Honourable the Finance Member and repeated by the other official spokesmen, that the duty on salt will fall very slightly upon the consumer since its incidence will be no more than three annas per head per annum. But, Sir, it cannot be forgotten, that to tax salt is to tax alike man and beast, because salt is a necessity not only for human beings but also for cattle, and no account has been taken in the statistics presented to us of the large consumption of salt necessary for the maintenance in fit condition of agricultural cattle. But, Sir, the Honourable the Finance Member reminded us the other day that statistics are things which can be used to prove anything, and I therefore ask Honourable Members not to exaggerate the importance of the figures that have been presented to us. We have to look at this question from the broad standpoint of commonsense. The people don't like the tax, and we, therefore, as representatives of the people, cannot support it; and when, added to this fact, we have the further fact that we knew as a matter of fact that poor people will be hard hit by the enhancement of this duty, the case against the increase of salt tax is strengthened. Sir, I move my amendment.

(A Voice: "Which is that amendment please?")

Mr. President: The motion is:

"Omit clause 2."

The Honourable Sir Basil Blackett (Finance Member): Sir, I do not propose at this stage to attempt to enter into argumentation in regard to the salt tax in general. I wish merely to point out to the House what the effect of this amendment is. As you have already stated, Sir, it is more than a direct negative. It does not restore the position to what it has been in the last year when the duty remained at Rs. 1-4-0. It has this effect, that after the 31st March of this year there will cease to be any duty imposed by an Act of this House on salt, but automatically the powers of the Governor General in Council granted by an Act of 1888 to impose a duty not exceeding Rs. 3 per maund on salt in India are revived. That is to say, if this amendment is accepted, the House, as I see it, hands back to the Government the duty of deciding with what duty and at what rate salt shall be taxed up to Rs. 3.

(Cries of "Withdraw, withdraw.")

Mr. O. A. H. Townsend (Punjab: Nominated Official): Sir, I understand that some Honourable Members of this House go so far as to wish to abolish the salt tax altogether. A few are willing to agree to an increase in the rate of taxation

Dr. Nand Lal (West Punjab: Non-Muhammadan): There is no proposal to abolish it altogether.

Mr. O. A. H. Townsend: . . . but not to the extent asked for by the Government. But many Honourable Members of this House have sent in amendments the object of which is to leave the salt tax as it is. Before the Assembly comes to a decision, Sir, on this important matter I wish to put a few considerations before it. First, on the general question as to whether it is desirable to have a salt tax in this country or not. I wonder if it is realised that an unskilled Punjabi labourer who owns no land and who, I may say, is now getting at least twelve to fourteen annas a day, need pay, if he drinks no liquor, no taxation whatever to Government other than the small amount due on the salt he uses. He lives in a house made of the simplest materials, can dress himself and his family of khadar cloth made of local cotton and spun and woven in his village. Many eminent economists hold the view that every resident of a country, however poor, should contribute some small amount to the revenues of his Government. Many critics say that salt is a necessity of life and therefore should not be taxed. India is not the only country in which salt is a fiscal monopoly. It is the same both in Austria and Italy. Dr. Gour, Sir, referred to the duty on tea in England. But in that cold country tea is practically a necessity of life, and every pound of tea that enters the country pays now a tax of over 3d. per pound, and that represents in Indian currency a duty of over of Rs. 15 per maund. Now, as to the rate of duty. The Honourable Finance Member said, and Dr. Gour accepted his figure, that the proposed doubling of the tax would involve an additional expenditure of a rupee per year per family. Well, Sir, a few days ago, I had the temerity to check the figure of the Honourable the Finance Member. Strange as it may appear, I found it correct. Dr. Gour has just said that this figure of 3 annas a head does not make any allowance for the salt required for cattle. Well, Sir, I asked a friend of mine, who is in intimate touch with the salt question in the Punjab, which he has specially studied; he tells me that this figure of three annas does include an allowance for cattle. I mentioned, Sir, a few days ago the troubles we had in North India owing to the cessation of the import of salt into India during the war. I wish the

House would realise that between 1917 and 1919 salt in the Punjab, although the duty was what it is now, sold at much higher rates than it will even if the whole increase of duty Government ask for is sanctioned. In 1918 the price of salt at Lahore was very nearly Rs. 5 a maund. Even with a duty of Rs. 2-8, salt should be available in that city at Rs. 3-8 a maund. These high rates lasted for three years; but the difference between the tax and the retail price went then not into the pockets of Government, but only enriched speculators and middlemen. Of course, our people grumbled, but they "stuck it" all right. Surely, Sir, it is not unreasonable for Government to ask the people in the present financial stress to pay an increased amount for their salt, but still an amount considerably less than they paid for some years to mere speculators and middlemen.

To adopt a phrase used by the great Duke of Wellington in another connection "the Government of India has to be carried on somehow." Well, the Government of India ask the House for means to enable it to be carried on, and put forward the only constructive proposal that I have heard in the long discussions that have taken place on this subject in the last fortnight, which will give them the minimum amount of additional taxation they required. Is it fair, Sir, I ask the House, to the Government of India, with its heavy responsibilities, is it fair to the reputation of the House itself, as Sir Sivaswamy Aiyer said yesterday, to decline to sanction the extra taxation, and to leave, as last year, an uncovered gap between its anticipated income and expenditure for next year of millions of pounds sterling?

Rai Bahadur Pandit J. L. Bhargava (Ambala Division: Non-Muham-madan). Sir, as pointed out by the Honourable the Finance Member, if this amendment is carried by the House, the effect will be that there will be no section in the Indian Finance Act which can fix the salt duty. The effect of this amendment being carried, therefore, would be ultimately that the Government will, under the Salt Tax, be able to fix a duty up to a maximum of Rs. 3. Now, that is not the object which the Honourable Mover has in view. His object is to have the tax reduced to Rs. 1-4 and not to allow it to be enhanced. As this object can be secured only by the amendments which appear on the paper in my name and the names of several gentlemen who have given notice of a motion that Rs. 2-8 be reduced to Rs. 1-4, I would request my Honourable friend the Mover to withdraw his motion.

Dr. H. S. Gour: Sir, I withdraw my motion.

The amendment^a was, by leave of the Assembly, withdrawn.

Dr. Nand Lal: May I submit, Sir, that I may be allowed to move this amendment^b of mine after we have discussed the question, which is the vital question before the House, as to whether there should be any increase in the duty on salt or not? Because my amendment will be of material good if it is discussed after the discussion on that point.

Mr. President: Is it the Honourable Member's intention to raise by the words he proposes to insert the question whether a rebate should be payable or not for the tax paid in March?

^a "Omit clause 2 of the Bill."

^b "(a) In clause 2 (1) insert the following at the beginning:— 'With effect from the first day of April, 1923.'"

Dr. Nand Lal: Yes, Sir.

Mr. President: Then it had better be raised, I think, on an amendment of a more precise character.

Dr. Nand Lal: Sir, have I your permission to move my other amendment, No. 17, relating to the vital question which is before us?

Mr. President: Mr. Rangachariar's amendment comes first.

Rao Bahadur T. Rangachariar: Sir, I am delighted, and I am sure the House is delighted that, by the timely warning given by the Honourable the Finance Member, the House and the country have been saved from a catastrophe which the last amendment threatened. Sir, the Government have opened their mouths wide in putting forward this motion to enhance the salt duty. There is a deficit of 3.68 crores and they put forward a proposal to raise a revenue of 6 crores by putting on an extra Rs. 1-4 in the way of salt duty. Sir, after listening to the remarks made by the Honourable the Finance Member yesterday, my mind was set thinking as to what really is at the back of the Government of India in this proposal. I am afraid, Sir, they want to stabilise the present rate of expenditure by this proposal. The Honourable the Finance Member refuses to look at the deficit of this year as a mere temporary phase. He has told us yesterday that he considers this will be a permanent deficit and what is the necessary implication therefrom? That the military expenditure should remain at or near 58 crores. Sir, His Excellency the Commander-in-Chief has already told us that he refuses to accept the recommendation of the Incheape Committee that the military expenditure should eventually be reduced to 50 crores. His Excellency has deliberately stated that to this Assembly, and this statement by the Honourable the Finance Member supports that statement made by His Excellency, the Commander-in-Chief. The Honourable the Finance Member is confronted with this difficulty. He takes it that the permanent expenditure of India will be every year 130 crores; he wants the permanent revenue to remain at about 130 crores. That is why he wants the salt tax to be enhanced. The surcharge will be temporary; the salt tax will be permanent. That is the view which he has taken and that is the view this House is asked to endorse by a vote on this clause. I ask Honourable Members to remember that. If you will look back at the history of this duty, from the year 1888 to 1903 the Executive Government of this country, with whom this power vested of either enhancing it or reducing it, kept it at Rs. 2-8-0. In 1903 the Executive Government, without any pressure from the representatives of the people, themselves voluntarily reduced it to Rs. 2 and again they reduced it to Rs. 1-8-0. They again reduced it to Rs. 1-0-0, and in times of dire need in the year 1916 they had the courage only to put it up by 4 annas. Sir, when a bureaucratic Government was running the Government of this country, without any vote of even a representative or an un-representative House, when the Executive Government could not summon courage to put on any extra salt duty, a representative House is called upon to enhance the duty by 100 per cent. Let us remember that when we give our votes in this matter. When the Executive Government themselves felt the injustice of piling up this salt duty, are you, a representative House, going to allow this enhancement? Sir, it has been said that the pressure which will be felt by the people by the enhancement of the salt duty will be very light and will be only 8 annas per head of the population. When people are spending money in liquors, in toddy

and other things, when prices have gone up, and when wages have gone up, the salt duty has not gone up commensurately and therefore, they say, what is the harm in putting on this duty? May not the same argument be applied to any tax which you put on? We are eating so much rice, Sir. Every family spends much more on rice than they spend on salt. They spend much more on wheat than they spend on salt. So that, why not put on a tax on food? You have put on a tax on clothing. These are the two things which no civilised Government will ever venture to put a tax upon. They are the necessities of life. No politician, no economist will tell you that any country can put on a tax on food or clothing. Sir, this is a necessity for life—necessity for existence. The salt tax is in theory—it is not a mere political question which politicians want to take advantage of—it is in theory—I have the authority of the Honourable Mr. Innes last year—in theory it is unsound; in practice it works out unjustly. In practice it works out unjustly because the capacity to pay the tax becomes less and less as you go down the scale. Sir, I do not eat more salt than my servant. In fact, perhaps I eat less. He uses more salt than I do. Therefore, whereas I can afford to spend 3 annas on myself, my servant cannot afford to spend 3 annas without the burden being felt more largely by him than it bears upon me. So that, in theory it is unsound and in practice it works out inequitably, and that is the reason why the Government of India, when they were responsible to the people without the intervention of a Legislature, felt the inequity of it, felt the injustice of it and they would not dare to enhance the duty. Sir, last year it was perfectly open to my Honourable friends on the Treasury Bench to have enhanced the duty without consulting this Assembly. There was no legislative prohibition against their enhancing it up to Rs. 3 a maund. They had the power in their hands. Why did they not do it? Why did they consult us? Why did they deliberately put it before us and desired a vote of this House on that matter? Sir, they wanted to avoid the odium of the curse of the 300 million people of this country. Sir, as has been stated in books on taxation, to tax the very poor at a shilling costs two shillings. But the ultimate cost cannot be measured. It goes deep down into the minds of these people and that is the surest method of making your Government unpopular. That is the surest method of making them say, "Here is a Government which will tax even our very necessities of life. What use is that Government to me if I cannot have my sprinkle of salt without paying for it?" That will be the attitude they will adopt. It is that which has weighed with the Government all along. We have been asked to look at it from a wrong point of view altogether. We are told that it is not going to be felt. Nothing is going to be felt. But remember this. It is the last straw that breaks the camel's back. We have already increased the cost of living on account of economic world conditions. We have already increased the cost of living by putting on these import duties. They have to pay for clothing, which is a necessity, much more than they have hitherto been paying for it. Where they were using—as the Honourable Sir Campbell Rhodes told us last year—18 yards before, they are now content with using 9 yards. I hope I am quoting the figures correctly. (A Voice: "10 yards.") They are using 10 yards. That shows that if you put on the prices of these things, they stint themselves to the extent of the barest necessity. So also, if we increase the price of salt, they will be obliged to stint in the supply of salt to themselves and to the members of their families and to the poor cattle which they keep. It needs no argument to convince the House that that will be the necessary result. Once you make the salt cheap, there is more consumption. Once you make it

[Rao Bahadur T. Rangachariar.]

dear, there is less consumption. That argues for itself. Therefore, I do not think I should take the time of the House much longer in arguing these matters. So that, my proposition is, let us have the existing duty. Let there be no more enhancement of this tax. We have already agreed to Rs. 1-4-0 and I am glad the Government have given the power to this Assembly to vote upon this question and they have not ventured to impose it themselves. Therefore, my amendment is to substitute the figures Rs. 1-4-0 for the figures Rs. 2-8-0 which are proposed in the Bill. Sir, this will no doubt leave us with a deficit. What is after all a deficit? The deficit can be worked down in two ways. We have already made several suggestions to the Government as to how they may meet this deficit by further taxation on our part and how on their part they might bring down the deficit by practising more economy. Sir, the Incheape Committee have not said the last word when they fixed the figure at 19 crores. Page after page they have said, "This matter requires investigation; that matter requires investigation" and they have referred to various matters under every head. When are you going to investigate these? Are you going to investigate these conditions or not with a view to effecting economy? If you do, you will be effecting further economy and you need not be afraid.

Mr. President: Order, order. I do not think I will allow salt to include the Incheape Committee.

Rao Bahadur T. Rangachariar: I beg your pardon, Sir. This deficit need not stagger us at all. After all, the country's credit did not suffer when we had Rs. 20 crores of deficit one year. The country's credit did not suffer when we had Rs. 9 crores of deficit in another year. And surely, we are not going to be staggered by the statement made by the Honourable the Finance Member that because we are leaving a deficit of Rs. 3 crores, the credit is always to suffer subsequently.

Mr. President: The Honourable Member will realise that there is a further stage when the Assembly can discuss the final effect of what is done on the Budget. That is the stage that the Bill be passed. Here we are discussing a more restricted question now, namely, reduction of the figure proposed by Government to the figure proposed by the Honourable Member.

Rao Bahadur T. Rangachariar: I move:

"In clause 2 (1) that the word and figures Rs. 1-4-0 be substituted for the word and figures Rs. 2-8-0."

The Honourable Mr. C. A. Innes (Commerce and Industries Member): Sir, my Honourable friend Mr. Rangachariar is a difficult man to follow. I do not mind his eloquence. I know this Assembly well enough. It is a true democratic Assembly and mere eloquence makes very little impression upon it. What does count with this Assembly is sincerity and what makes Mr. Rangachariar a difficult man to follow is that he uses his eloquence to reinforce convictions which he feels most sincerely. But, Sir, let me ask Mr. Rangachariar and let me ask this House to give us on this side of the House credit for equal sincerity. Mr. Rangachariar yesterday said that in putting forward this proposal to enhance the duty on salt the Government had wantonly provoked a collision with the House. Sir, I do not think that Mr. Rangachariar should have made that remark. We on the Government side have tried to work with this House for the last three years and I am not aware that there was anything in our record which authorised or justified Mr. Rangachariar to make so serious a charge

against the Government. (A Voice: "Certification.") (Mr. Rangachariar: "With respect to this proposal.") It is perfectly true that last year we put this proposal before the House. It is perfectly true that the House rejected that proposal by a large majority. We were perfectly well aware of that fact and if we have again put the proposal before the House, the House may rest assured that we have done so with the fullest sense of responsibility.

It is common ground with all of us that we must balance the budget. Whatever Mr. Rangachariar may have said in his speech this morning, I think that the outstanding feature of our debates and our discussions yesterday was the unanimity in all quarters of the House that India cannot afford again to go before the world with a deficit budget. (A Voice: "Real deficit.") Sir Basil Blackett laid special stress upon that fact in his budget speech, and until Mr. Rangachariar made his remark a few minutes ago I have not heard the soundness of Sir Basil Blackett's proposition challenged anywhere in the House and I think, Sir, that it is a tribute to the Assembly's sense of financial responsibility. As I have said, it is common ground with all of us that we must balance the budget. That was the axiom, that was the postulate with which we started when we first began to prepare our budget, and the House may rest assured that before we came forward with this proposal to enhance the duty on salt we had explored with the utmost care every possible alternative which could occur to us. We examined the Customs schedule, we examined the income-tax, the Railway rates, Postal and Telegraph rates. Everywhere we got the same reply. Always we came back to salt, nothing but salt. Again, since the Finance Bill has been before the House, other alternatives have been suggested to us, and as the House knows, each and every one of those alternatives has been subjected to the most searching examination, and I say it again, again we come back to salt. Salt tax may not be a popular tax, may be a tax distasteful to the people of this country, but the burden of that tax is so distributed among the population of India that it becomes negligible in individual cases. (Cries of "No, no.") It gives us certainty for the future. It gives us the money we need for the present, and it gives us the money we need for the future. It enables India to stand out among the nations of the world as one of the few nations which has been able partly by retrenchment and partly by shouldering the burden of taxation to balance its budget and it restores our credit. Whatever Mr. Rangachariar may say, I say it is essential for India that we should have a balanced budget this year in order that our credit may be rehabilitated.

Now, Sir, let me turn to Mr. Rangachariar's charge that we have wantonly provoked a conflict with this House. Because last year we put this proposal and it was turned down, therefore Mr. Rangachariar says that we have no right again to put the proposal up. There is all the difference in the world between last year and this year. Last year we put the proposal before the House and the House turned it down. It was I who defended the proposal and looking back on the history of that time I say now that the Assembly was right. Even if the tax had been imposed last year it would not have balanced our budget, it would have still left us with a large deficit and the Assembly insisted that the remedy lay in retrenchment. Well, Sir, we have retrenched. As a result of the Incheape Committee's report we have reduced the Army. We have reduced the army expenditure by five crores of rupees and more. We have it on the authority of His Excellency the Commander-in-Chief that we have effected those reductions

[Mr. C. A. Innes.]

at some military risk. Again, Sir, we have effected retrenchments on the civil side. People in this House may think that we have not retrenched enough, that we have not done all that we can in the way pointed out by the Inchoape Committee's report. Sir, as one who has served the Government of India for many years my fear is that we have retrenched too much. The reason why any Department looks askance at retrenchment is that that Department sees the implication of what we are doing. It sees the harm that retrenchment may effect, but, Sir, like everybody else in this House, we in the Government of India . . .

Mr. President: I had to call the Honourable Member from Madras to order in order to prevent him from continuing on that line and I will ask the Honourable Member to keep himself within the same limit.

The Honourable Mr. C. A. Innes: I merely wished to make the point that the position this year is entirely different. Last year we had not done all we could have in that direction. This year we have done all the retrenchments we can and still we are faced with a deficit. The problem still remains how to cover that deficit and the difference between the House and the Government of India is this that we say that salt is the only way. The House says that there are other ways, but they have not been able to give us any unanimous vote as to what other ways should be proposed—even a majority vote—there is no assurance of it and they have not been able to prove to us that the other ways they may propose are in accordance with the principles of sound, wise, economic taxation.

Then, again, Sir, there is another difference between this year and last year. The position has changed economically. India is better off this year than it was last year. Prices of foodstuffs have fallen in this year by 20 per cent. The price of wheat has fallen by more. Take the price of wheat at Lahore in January 1922 and the price of wheat at Lahore in January 1923. In January 1922 you could buy for a rupee 3 seers and 15 chittaks of wheat. In January 1923 you could buy for a rupee 8 seers and 8 chittaks of wheat. That is to say, the price of wheat is less than half it was last year. Think what it means to the poor man. After all, your salt is a condiment and the man uses just an infinitesimal quantity

every day. Wheat is a mainstay of life and the poor people
12 Noon. spend the greater part of their income on foodgrains and foodstuffs; and when you find that those foodgrains and those foodstuffs are less than half the price they were this time last year, then do not talk to me about the hardship you are going to put on the poor man by putting on a small increase in the price of his salt. Let me take this economic argument. Is there any one here who really advances it seriously? It is a very useful thing to be able to say, "Oh no, we do not oppose this salt tax on political grounds; we oppose it on economic grounds." But, Sir, is that an honest belief? I gave the figures last year; Dr. Gour said that my figures of last year took no account of the consumption of salt by cattle. That, Sir, is not correct. Last year we took the total consumption of salt in India and the total population of India and we arrived at what the consumption of salt per head per annum was. It was 6 seers of salt per annum. An increase of duty of Rs 1-4-0 per maund means an increase of 3 annas in the price paid for the amount of salt consumed per head per annum: 3 annas! and that includes salt required for cattle; let Dr. Gour mark that fact. Three annas per head: 12 annas per family; one anna per family per month: 1 pie per family every 2½ days; there is the sum for you. Is anybody here

really seriously going to assert that a small increase of that kind is going to hurt any one seriously? And mind you, I do not lay too much stress on those figures. People may say that that may be the increase in price measured by the increase of duty, but when the middleman passes that duty on to the consumer he will pass on more than the duty. Well, Sir, I have got information on that point. The retail price of salt in Delhi on the 28th February before this new duty was imposed was 16 seers to the rupee, 1 anna per seer; that is, your 6 seers per annum cost 6 annas. The retail price of salt in Delhi on the 10th March after this duty had been imposed was 11 seers to the rupee; that is, the price paid for 6 seers per annum is 8 and eight-elevenths annas; that is to say, the actual increase is less than your 3 annas per head per annum.

Let me take another point. Mr. Joshi says that before we impose taxes of this kind we should make a proper economic survey. Give us the money; give us this salt tax and I hope that we will be able to make this economic survey. But, Sir, people are working at this problem; they are working at it in Mr. Joshi's own town of Bombay. Family budgets of 3,000 families have been prepared by careful investigators, non-official investigators, people with no axe of any sort or kind to grind. I am not going to give the figures because they are not material to my present purposes; I am merely going to give the percentages and that will reinforce the point which I made just now that an increase in the price of salt is as nothing compared with an increase in the price of foodgrains and foodstuffs. The results of these family budgets show that these working people in Bombay spend 32 per cent. of their monthly income on foodgrains; they spend more than 10 per cent. on other foodstuffs; and they spend 4 per cent. on salt. Mr. Rangachariar says that this increase in the duty on salt is the last straw that breaks the camel's back. Sir, it is no use flinging phrases at me like that. If we lay a straw on the poor man, a bad monsoon lays a flail upon him, a far heavier flail than anything we can do in the way of a salt tax. I repeat, Sir, there is nothing in this economic argument. Let the House clear its mind of all prejudice. I am not going to overstate my case, I am not going to say that I like this tax. I am quite prepared to admit that any tax, however small it may be, any tax which is a tax on a necessity of life is theoretically bad. All I say is that having regard to all our necessities, having regard to our deficit, this tax which imposes a burden which is negligible on the people of this country is on the economic side the soundest way of giving us the money which we require. Mr. Rangachariar says that it will give us more money than we want. It is going to give us 4.50 crores this year and all we want is 3.69 crores, and next year it will give us 6 crores. But, Sir, Mr. Rangachariar knows as well as I do that a great part of our income now is a transitory income, that the Government of India is in honour bound to repay 9 crores of contribution to the provinces, and have we not got to look ahead and provide for the future. Sir, as I have said, let us be honest and let us drop this economic argument; let us get to grips with real facts. What is the objection to this salt tax? The objection to the salt tax is the political objection. Some people say that they dare not go back to their constituency; they dare not face the electors; they dare not say that they have agreed to the salt tax. Well, Sir, I have sufficient confidence in the Honourable Members who constitute the non-official majority in this Assembly to believe that they will put personal considerations of that kind aside. Their real objection is that if we put on this salt tax we give a handle to the non-co-operator. Well, Sir, I do not wish to understate or in any way to

[Mr. C. A. Innes.]

minimise those objections. I recognise that they are perfectly real. But, Sir, they can be exaggerated. All our information is that as regards the agricultural classes, as regards the rank and file of the country, the non-co-operator has lost his influence in the last six months. The population of this country are beginning to recognize and beginning to feel that half their troubles are due to these non-co-operators. (Hear, hear.) I do not believe that the increase in this salt tax will have any effect in that way upon the bulk of the population of this country. And as regards your own electors, the people who elect you, surely you can educate them; surely you can explain to them why we have been compelled to adopt this tax; and, Sir, if they are reasonable men I am sure they will listen. Sir Sivaswamy Aiyer laid his finger the other day upon the real objection to this salt tax. For many years,—I admit it,—for many years political India has fought against the salt tax. They have said that it is a tax which ought not to exist, much less to be increased. It is felt that mere consistency compels you to take the same line, and that is why Sir Sivaswamy Aiyer said that it was not practical politics even to think of raising the salt tax. It is an article of faith; it is a creed in political India that the salt tax must not be raised. Well, Sir, creeds become outworn: articles of faith require readjustment to changing conditions; and every now and then you have to re-examine the foundations of your belief and that is what I ask the House to do to-day. It is said that the imposition of this tax will be a violent shock to the reforms, a staggering blow to the reforms. That may be so, Sir, but there are worse things than shocks, there are worse things than blows. A worse thing is the cancer which eats away the root of the reforms. What is it? What is it that is preventing the reforms from having their full effect at the present moment? I say it is one word, or two words: 'financial stringency in the Government of India, and financial stringency in the Provincial Governments'. We all know with what high hopes the Ministers in the provinces assumed the tasks allotted to them, we all know how they hoped that they would be able to show the bureaucracy how money should be spent on education and sanitation. Have those hopes been fulfilled? Is it not a fact that, instead of these hopes being fulfilled, there is a dull resentment against the reforms? And why? Because the Ministers have not been able to get any money to justify themselves, or any money to carry out those projects on which such high hopes were pinned. Then, again, I do not suppose there is any one in this House who does not remember the remarkable speech delivered by Mr. Clayton in September 1921 in the Assembly. Mr. Clayton made the point that the one essential in India at the present time was a fundamental unanimity. The whole of these reforms presuppose that India can weld itself into one homogeneous nation. These provincial contributions, are they not a sore which is eating away India? Are we not setting Madras against Bengal, the United Provinces against Bombay, all because these provinces feel a resentment at these contributions? Madras feels that she is being unjustly treated; the United Provinces, the same, Bengal, the same. Sir, I say that if we take the long view, we do not allow ourselves to be blinded by the easy considerations of the present. I say that this House will recognize that the real danger of the reforms does not lie in the imposition of a small addition to the salt tax. (A Voice: "100 per cent.") It lies in our allowing the financial stringency to continue in the Government of India and in the Provincial Governments. I can claim that we on our side have done all we can. The Government of India have retrenched,—we have retrenched to the very best of our ability, and I say that no Government

could have done more than we did on that Report. And I feel that we are now entitled to ask this Assembly to show, on their side, their responsibility. I ask them to take the long view,—to risk unpopularity, to risk shame, to risk obloquy, not to be guided, not to be weighed, by what I called just now the easy consideration of the present. If this Assembly rises to the occasion now, if it agrees to the small tax, then I say that, judged by the tribunal of history, the Assembly will have done the wise and the right thing; it will have risked unpopularity, it will have made sacrifices in order to restore India's credit, in order to restore India's finances, and in order to make these reforms a success. Sir, I hope the House will not accept this amendment.

Chaudhri Shahab-ud-Din (East Central Punjab: Muhammadan): Sir, no one will deny in this House or outside it that the salt tax is a very undesirable tax, a very distasteful tax, a very detestable tax and, as it is characterized by some, perhaps a very dreadful tax. But the question before this House is whether we can avoid the imposition of this tax. If a tax is inevitable, as has been admitted tacitly by this House (*Voices*: "No, no, no.")—it has been argued from the Government Benches that the balancing of the Budget shall enhance the credit of India and make India a solvent country, prove India's solvency beyond doubt—and I have not heard a single voice in this House denying the desirability of balancing the Budget. If I am right so far, then I think it follows that the balancing of the Budget may be taken as a fact admitted almost on all hands. If that assumption of mine is correct, then I think I am justified in concluding that the imposition of a new tax is inevitable, it is unavoidable; and it is on this assumption that I move my amendment. If, of course, the House were to decide that no tax is necessary and that, therefore, no tax should be imposed, I will be the last, as I said yesterday, to propose that a new tax should be imposed; but if a tax is inevitable, if it is unavoidable, then I think the salt tax is the best tax. My reasons for this position are very simple. It is a tax which affects all tax-payers equally, the rich and the poor are equally affected by it. It has been argued by Mr. Rangachariar and some other speakers that while the rich people will not mind paying 3 annas a year, that is, one copper a month, a tax of 3 annas per head per annum shall seriously affect the poor. I will assume that we are advocating only the cause of the poor, and that it is in their interest that we are opposing this tax. I would like on that assumption, to enlighten the House, so far as my province is concerned that the so-called poor in the Punjab can more easily afford to pay this tax than the so-called rich. (*Voices*: "No, no." "Take us there.") Sir, despite the impatience on the part of certain Honourable Members of this House, I feel bound to lay some hard facts before the House for its consideration. The population of the Punjab, perhaps unlike many other provinces, can be divided into three classes. The so-called poor or the labouring classes. I include the agricultural as well as the industrial labour. Then there are the middle-class people both among agriculturists and traders; the majority of agriculturists are owners of very small holdings. Then, there is the higher class, the rich people so to say, that is, whether they are lawyers, merchants, or big zemindars. As regards the middle classes, I am in a position to say, without fear of contradiction, that they are perhaps the poorest lot. The labouring class is very well off; its standard of life is in certain cases higher than, or at any rate equal to, the standard of life of the middle class; in fact, the middle-class people have to defray certain expenses on occasions of marriage and at other social functions which the members of

[Chaudhri Shahab-ud-Din.]

the labouring class have not to defray and I know it as a fact, and I believe I will be supported by some Punjabees in this House, that some members of the so-called poor labouring class are in fact bankers of the so-called rich middle-class people; they have more money—and I think their habits of economy and frugality have enabled them to save some money—to set aside some money, which they actually lend out to the so-called rich middle class people who are the owners of very small holdings and whose expenses are comparatively higher than those of their frugal labourers. It is this labour class, the so-called poor class in my province, in whose interest I am expected to oppose the salt duty. But if my knowledge of my province is correct, I am fully justified in saying that if this tax is to be opposed, the opposition is not justified in the interests of the so-called poor labourer whose wages, I think, have been under-estimated by the Honourable Mr. Innes in his speech. I have made inquiries and learn that here at Delhi a labourer is getting 9 annas a day, but in the Punjab, in Lahore, we cannot get a labourer even for one rupee a day to-day; and I can say without fear of contradiction that my knowledge is as accurate as it is first-hand and personal. Now, that wages are so high and the labouring classes are so well off, that they are, in some cases, if not in a large number of cases, bankers of the so-called rich middle classes, to advocate the cause of the so-called poor, in my humble opinion, is going against facts. As regards the rich people, surely they can very easily pay the small tax of annas 3 per head per annum. This is not questioned or doubted by anyone in this House. Now, as regards the amount of taxation, and its incidence on the poor, one pice a month is the burden which the so-called labourer shall have to bear if the proposed duty of Rs. 2-8 per maund is imposed. Every labourer in my province is consuming tobacco worth two pice a day. Tobacco is a luxury, while salt is a necessity. (A Voice: "Tax tobacco.") Tax it by all means. Impose an excise duty if you will. I do not mind at all. Tax it, but you will find it difficult, if not impossible, to tax local tobacco. You have already taxed foreign tobacco, I think, very heavily, and I shall not mind if the local tobacco is taxed. Do so by all means. I do not object to that. But I am stating a fact and that fact is that every labourer in the Punjab is consuming tobacco worth two pice a day. A labourer who is consuming so much tobacco, a luxury, I think, may well be expected to pay one pice a month. (A Voice: "Does the Agriculturist do the same?") Yes; he is doing the same. In my province smoking is so common that, barring the Sikhs, perhaps even one per cent. of the Punjabees are not free from this vice. (An Honourable Member: "Very sorry.") I am very sorry myself, but I am stating the fact. This is not smoking.

Mr. President: It is not usual to smoke salt.

Chaudhri Shahab-ud-Din: Then, as the Honourable Mr. Townsend said, we have salt mines in our own province, yet we had to pay for salt during the war more than Rs. 5 a maund at wholesale rates, the retail rate being far above Rs. 5 a maund. But the so-called poor labourer who had to buy salt at so heavy a price not only for one or two years, but for 3 or 4 years, never grumbled against that high rate. I am told that if this new tax is imposed—and I have no reason to doubt the correctness of figures calculated by the Honourable Mr. Townsend,—that the price of salt shall exceed Rs. 3-8-0 per maund if the duty is doubled. I, therefore, propose that instead of imposing the full tax, that is, instead of doubling it from Rs. 1-4-0 to Rs. 2-8-0, let us be contented with Rs. 2

a maund. (*Rao Bahadur T. Rangachariar*: "Why?") Because, I may be allowed to say in answer to my Honourable friend, Mr. Rangachariar, according to my calculations if the tax is enhanced from Rs. 1-4-0 to Rs. 2 per maund and not to Rs. 2-8-0, the income from that source will be rupees 2 crores and 65½ lakhs. Then, I would invite the attention of the Honourable Mr. Rangachariar to his own amendment at the top of page 6, that is, if we exclude ordinary cotton goods which are used by the so-called poor people, and a sur-tax or a sur-charge of 6 pies per rupee is levied upon Customs, that will bring, according to my calculations, about Rs. 1 crore; and thus we will have altogether about 3 crores and 65 lakhs, and I think we shall be able to balance our Budget.

These are the reasons why I propose that instead of Rs. 2-8-0 per maund we must have a tax of Rs. 2 only.

With these remarks, I propose, Sir, that a tax of Rs. 2 per maund may be sanctioned and not of Rs. 2-8-0 per maund as proposed by Government in clause 2 of the Bill.

Mr. President: In order to give an opportunity of discussing this amendment to Honourable Members, I propose to take the Honourable Member's amendment in this form, as an amendment to Mr. Rangachariar's amendment:

"Omit the words 'one rupee and four annas' and insert the words 'two rupees' in that amendment."

Mr. B. C. Allen (Assam: Nominated Official): Sir, Mr. Rangachariar's words carry such weight in this House that it is impossible to allow any observation of his to pass unnoticed. There were two grounds on which he attacked the salt tax. Firstly, he took the natural ground that it is very undesirable to tax a necessity. Now I am not certain whether the House realises the extent to which necessities are taxed elsewhere. I am not sure whether my friend, Dr. Gour, knows that tea is taxed at all. Another Member stated that the tax on tea was Rs. 15 per maund. The Commerce Department will, I hope, correct me if I am wrong, but my impression is that tea is not taxed at the rate of Rs. 15 per maund, but at the rate of Rs. 45 a maund in the case of tea which comes from British territory and at Rs. 70 a maund if it comes from outside the Empire. There are two points which I would like the House to remember. Firstly, that tea is almost as much a necessity as salt in a country like England and, secondly, that tea is consumed in much greater quantities than salt. I would ask the House to compare this tax of Rs. 45 on tea with the proposed tax of Rs. 2-8 on salt. The second point taken by my Honourable friend was that when the Government was a bureaucratic Government it did not venture to raise the tax on salt but now that it has been liberalized it comes forward and asks this House to do so. Well, Sir, I would only quote to Mr. Rangachariar an authority which even Mr. Rangachariar will accept as being no less weighty than himself where democratic questions are concerned. A debate took place in the old Council in 1918 when Pandit Madan Mohan Malaviya spoke as follows:

"My friend said 'Remember, in any form of popular Government there must be a great deal of extra taxation'. My Lord, we are thankful to him for reminding us of it. If we have studied any books on History, Economics or Political Science, that truth has been ingrained in us. We know that ever popular Government means greater expenditure. We are longing for the time when we shall be put in power to raise further taxation."

(A Voice: "Not on salt.") Sir, those are weighty words. I commend them to any Honourable friend.

Mr. W. M. Hussanally (Sind: Muhaminadan Rural): Sir, this tax on salt has given me any amount of anxiety and I have been considering over it all night last night after the effort for a compromise that was made for nearly three hours yesterday. But, unfortunately, Sir, the more I have been thinking of it, the more I am persuaded to believe that I cannot agree with my Honourable friend Chaudhri Shahab-ud-Din. Sir, any tax is odious and unpopular, but it cannot be denied that this tax is the most odious and unpopular of all. It has been brought up here in this Assembly and also in the Councils before times out of number and with one unanimous voice from the unofficial Benches it has been rejected as unsuitable and as one which should not be imposed. And with the result of the vote only last year, I think my friends on the non-official Benches will only be stultifying themselves if they give any vote contrary to what they did last year. And, being the most unpopular tax, I do not suppose my friends on this side will be able to face the popular discontent out in the country if they vote in favour of the tax.

Sir, I think the bait thrown out by the Honourable Mr. Innes to the Members from Madras and the Punjab to vote for this tax in order to relieve themselves of the burden of provincial contribution will not prevail, and it will be treated with the scant courtesy which it deserves. (*Mr. R. A. Spence*: "Oh!") Sir, I will not repeat the arguments which have been employed from time to time against this tax, but if arguments were needed I would refer my friends to the most important speech made by the Honourable Sir Dinshaw Wacha only the other day in the Council of State. My friends call him the Nestor of Indian Finance. I will not take up the time of the Council in quoting from his speech which, I daresay, many of my friends must have read for themselves.

One point, Sir, that I have been thinking about is whether, as put by the Honourable Mr. Innes, we have sufficiently retrenched our expenditure so as to necessitate any further taxation. As my Honourable friend Mr. Rangachariar put it, the Incheape Committee had not the last word to say upon retrenchments. I consider that, apart from the Incheape Committee's Report, there is a good deal of expenditure which can be retrenched. Above all, if the Government were to look into the Stores Department and consider the question whether the stores should be purchased in India or in England, they will find a considerable opportunity to retrench in that direction even this year, so as to cover this small deficit. But even supposing there is a small deficit left at the end of the year, they will find that there will be many items in the various departments where they will not have been able to spend all the allotments made under the various sub-heads, and they will find that they can easily make up or that they will have made up the little deficit which is now left over uncovered.

Sir, for these reasons I think I must oppose this tax.

Baba Ujagar Singh Bodi (Punjab: Landholders): Sir, I intended to move the amendment, No. 23, which stands in my name, and I submitted a note to the Honourable the President to the effect that I would like to speak immediately after the Honourable the Finance Member would speak; but, unfortunately, I could not get that opportunity, and my friend Chaudhri Shahab-ud-Din got the preference.

Mr. President: I cannot allow that remark to pass. The Honourable Member suggests that I gave the Honourable Member from Lahore an unfair precedence over himself. He himself is well aware that the amend-

ment in his name on the paper is not the amendment which Chaudhri Shahab-ud-Din has just been moving.

Baba Ujagar Singh Bedi: I did not mean that, Sir.

Mr. President: Then the Honourable Member should not say it.

Baba Ujagar Singh Bedi: On the day the Budget was introduced and when the Honourable the Finance Member enlightened the House with his harangue, I was somewhat perplexed whether or not the duty on salt as proposed by the Honourable the Finance Member would be agreed to.

In the first place it appears to me that there will be no need for fresh taxation for the revenue as has been pointed out by the Honourable the Finance Member, is anticipated for 1923-24 to be 198.52 crores against the expenditure for the same year, which is estimated at Rs. 204.37 crores. Thus leaving a deficit for 1923-24 of Rs. 5.85 crores.

But taking into consideration the net interest on Gold Standard Reserve which is 1.59 crores, the balance deficit remains 4.26 crores.

Again having regard to grants that have been curtailed and if the Government strictly adheres to the policy of retrenchment there probably remains no need for any fresh taxation.

But if at any rate there is any exigency to raise fresh taxation I would strongly oppose and deprecate the principle of taxing and overtaxing a certain sect of people and coming forward with a proposal to enforce super-tax which is so heavily felt by them.

This super-tax was only imposed as a war measure though the war terminated four years back, but pity, the super-tax is still in force.

I am afraid here I have to give an instance of the time when immediately after the demise of the Lion of the Punjab, Maharaja Ranjit Singh, there was no regular Government and some soldiers that were putting up in a fort began to depredate a village named Sanghoi in the District of Jhelum and after every second or third day whenever they stood in need, they joining together conversed "let us go and plunder Sanghoi."

The result was that after two or three invasions there was nothing left in the village to be depredated any further.

Sir, we should not adopt the measures to tax one particular class of men. Besides the principle of taxation does not allow to tax in such a form which should be so heavily felt by the tax-payer.

To my mind the taxation should be in such a form as would not tell heavily upon the tax-payer and yet will fetch more revenue.

Therefore if it is sought at all to enhance the revenue by fresh taxation I should not be reluctant to accept the duty on salt by annas 12 per maund only as proposed by my Honourable friend Chaudhri Shahab-ud-Din.

And therefore I will ask the indulgence of the House to bear with me for a couple of minutes.

Sir, it is advocated from certain quarters that the duty on salt should not be increased either politically or economically since it is the poor man's necessity.

These arguments do not convince me, in the first place if it was politically or economically improper to impose duty on salt, then, Sir, there should have been no duty on salt at all. But what we find is that there is already

[Baba Ujagar Singh Bedi.]

a duty imposed on salt of Rs. 1-4-0. If it was in any way detrimental politically, economically or otherwise to the Indian interest, then, Sir, why the House agreed to this duty which is already in existence.

Now therefore this part of the argument cannot arise.

What the Honourable the Finance Member wants is to increase the duty by Rs. 1-4-0 more, so as to meet the deficit for 1923-24.

The second part that it is the poor man's necessity, therefore the duty on salt should not be increased, does not appeal to me as well. I look at the enhancement of duty on salt from a different standpoint.

It is a general cry that the money market is very tight. One would naturally like to know where all this money has gone to, which was jingling in the pockets of the public a few days back, because had there been any money in India its circulation would not have stopped, on account of which the business is getting duller and duller every day.

Some persons reply that such money as was earned in the days of war has gone to foreign countries, while others emphasize that the Indian money has been taken off in the form of unsettled state of exchange.

But, Sir, even if it had gone to the foreign countries, then too its circulation could not have stopped.

But to me what appears, is that all this money had been spent on buildings, ornaments or other such like things and thereby the money has gone into the hands of the labourers in the form of wages and their requirements being small such wage earners have withheld the money, and hence the circulation of money has been greatly depressed.

Now, Sir, in support of my argument, I would like to draw the attention of the Honourable House to the mere fact that in the pre-war days, a lay wage-earner was drawing something like 6 or 7 annas a day; during the war it went up to one rupee or even more. An ordinary mason in the pre-war days was earning one rupee a day; his wages have risen up to rupees three or four a day.

Although the values of different commodities and necessities of life in which they stand in need of, have dropped considerably, even then, Sir, their wages are still there and they do not agree to take a penny less than their so enhanced wages.

Their requirements are such as even one day's wage would suffice to support them for many a day.

Therefore it has become almost impossible to reduce their these high wages because the money which they have earned in the war days and which they have withheld along with the present wages that they are earning, have made them so stubborn and sturdy, that they would not heed to any reduced rate now. They can live for months and months without doing any work, and the public standing in need of labour, without which they cannot do, are bound to bend before them.

It is said that if we adopt the proposal of the Honourable the Finance Member, i.e., to impose a duty on salt, it will affect the poor, does not hold good.

Let us examine therefore how much will it affect if the proposal is accepted. The Honourable the Finance Member proposes an increment of Re. 1 and annas 4 per maund on salt. This means that he proposes Re. 1 and annas 4 on 40 seers, and that comes to half an anna or 6 pies

per seer. Now one man does not require more than $\frac{1}{4}$ tola of salt for his requirements per diem. It means that the duty as proposed even if accepted will bring a pressure of one twenty-sixth of a pie only to each individual.

My amendment proposes only an enhancement of annas 12 per maund, which further reduces the so-called pressure to one-fortieth of a pie to each individual, which means that in two months' time he will have to pay a duty of one pie.

Now, the august House will realize what and how much it affects the so-called poor, who are drawing such high wages in these days.

On the other hand if we resort to the amendment we could create an enhancement of something 3 crores of rupees according to the figures calculated by the Honourable the Finance Member.

And thereby there could be every hope to relieve the province from the pressure of the Provincial Contributions which ultimately will benefit the provinces as a whole.

If we propose any other taxation like sur-tax Custom, then even this burden will fall ultimately on the poor much heavier than the salt as the values of the commodities so taxed will naturally rise the triple of the duty proposed.

Again the Honourable Members will find that this salt duty as is proposed by the Honourable the Finance Member in clause 1, sub-clause (3) of the Bill is only for one year, that it will remain in force up to the 31st day of March 1924.

It will not be inexpedient if we increase a little duty on salt for one year to raise the revenue, thereby to meet the deficit of 1923-24.

Before I resume my seat I should appeal to the Honourable the Finance Member if he could see his way to meet the House half way.

Khan Bahadur Maulvi Amjad Ali (Assam: Muhammadan): Sir, I would point out that this tax on salt has become a vexed question altogether and we have been wasting our eloquence on it for some time past; but the House is unable to come to any conclusion. Those who advocate the cause of the poor people, so far as this tax is concerned, have some motive and that motive is attributed to the fact that elections of the Legislative Assembly are near at hand. Then again some of those who support this tax have also some motive. Now, Sir, the public time is being wasted in this fashion and we are not able to come to any solution. It is undisputed that there is a deficit of Rs. 4 crores odd. It is also undisputed that this deficit must be met. Of these two things we are quite sure—that there is some deficit and that it must be met. These are quite clear. Now, Sir, we have been crying that there should be no tax on salt. Very well, if there is no tax on salt, point out certain other means by which that deficit can be met. That is the point. The Government does not want to impose salt tax for nothing. Government wants to raise money to meet the deficit. If the House is prepared to meet that deficit, I think the House should be prepared to point out some other means to meet the deficit. Government is not vindictive that out of *zid* they are going to impose some tax on salt. The only reason which actuates Government to propose taxation like this is to meet that deficit. Yesterday there was a talk of compromise and for that purpose the House was adjourned under the permission of the President. When the discussion was going on it pleased Sir Sivaswamy Aiyer to put forward certain proposals, and one of

[Khan Bahadur Maulvi Amjad Ali.]

the proposals was to have 9 pies surcharge on customs, excise, and income-tax. Well, he appealed to the Members present there, and specially to my friend, Mr. Seshagiri Ayyar, to accept his proposal

Mr. President: The Honourable Member must realise that he should not refer to proceedings about which this House officially knows nothing. That conference was held *in camera* without reporters being present, in order to enable the Members freely to express their minds and to discuss the matter in all its aspects with a view to arrive at a satisfactory compromise. There has been no statement made here to-day that that compromise was reached, and therefore I think that the opinions expressed privately ought to remain private.

The Honourable Sir Basil Blackett: May I suggest, Sir, that the statement that has already been made as to what was alleged to have been suggested by particular individuals ought not to appear in the official record?

Mr. President: As to what ought not to appear in the official record is a difficult point to decide. The Honourable Member from Assam will do well to refrain from referring to things which other Members have said in private.

Khan Bahadur Maulvi Amjad Ali: What I submit to this House, Sir, is that that proposal may come to this House for decision. That is a very reasonable proposal, and I think if it comes before this House with the permission of the Chair, it may be accepted by a large number of the Members of this House and further discussion may be put an end to. For that reason, Sir, I was going to speak about the proceedings which took place yesterday. If you will permit that that subject should come up before the House

Mr. President: If the Honourable Member wishes to discuss a proposal of that kind, he may put it forward publicly on his own responsibility, but I must ask him not to refer in detail to the proceedings of that conference about which this House has no information.

Khan Bahadur Maulvi Amjad Ali: Now, Sir, if the salt tax is not accepted by this House, then I appeal to the Members of this House to put forward certain other suggestions by which money may be raised to meet the deficit instead of wasting our labours for nothing. I think I will have to put in an amendment, but those Honourable Members who have sent in amendments may, in the course of their observations point out certain means by which money may be raised and the whole discussion may be put an end to.

Sir Montagu Webb (Bombay: European): Sir, I am opposed to the doubling of the salt tax, but I do think in present circumstances that salt should contribute to some extent towards the removal of the present financial difficulty, and I therefore support the amendment moved by my friend Chaudhri Shahab-ud-Din. I am opposed, Sir, to the doubling of the salt tax for two reasons,— economic and political. There is no doubt whatever that the salt tax is objectionable, in that it is a tax upon a vital necessity of life, the reduced consumption of which must tend to affect the health of the people. Then too, at the present moment the political situation is such that I do not think it would be wise on the part of Government to arouse and incur further hostility by forcing upon the public a doubling of the existing rate of duty. I have been collecting during the

past week or two salt-tax cuttings from newspapers in all parts of India in order to better understand popular feeling in this matter. I expect Government have done the same thing. Now, Sir, what do I find? I find a universal condemnation of this proposed doubling of the salt duty except by one or two papers and one or two groups upon whom that duty would fall with the least weight, upon whom the duty, even if doubled, would be almost imperceptible. Well, Sir, there is nothing peculiar about that state of affairs. Every section of the community objects to a duty when it is going to fall upon themselves. I notice that the motor trades strongly object to the existing scale of motor duties and have asked for them to be reduced. Other trades also are asking for duties to be reduced. I have a bundle of telegrams here, Sir, very strongly objecting to the proposed surtax on the customs duties, which it is said, instead of bringing in extra duties, would merely check imports and probably reduce the estimated receipts from Customs which the Finance Member has already made. The Bombay silver interests, of course, object to the imposition of a silver duty. On my wiring and asking them if in the circumstances they would not support the small duty on salt, they have replied: "Your question is irrelevant". And so on. The fact is, Sir, that everybody objects to a duty being put on that commodity which particularly affects him. And so, I do not think Government can feel any surprise if objection is expressed to any proposed increase of salt duty for the reasons which I have already stated.

Now, Sir, I noticed yesterday that my Honourable friend from Madras expressed considerable contempt for the political argument. He spoke almost as though politics were a matter of no account in a consideration of this kind. So, too, the Honourable the Finance Member spoke with even greater scorn of the political consideration. He said: the objection to this enhanced duty is a mere matter of sentiment,—and he spoke, or he implied, that in the consideration of the Budget we ought to be guided by pure, undiluted reason: we ought to work solely on the cold logical financial principles which are generally believed to guide authorities in Lombard Street and in Whitehall. We should not allow sentiment to interfere with the preparation of our budget. I do hope, Sir, that the Honourable Member will not bring ideas of that kind into his consideration of this budget. Why, Sir, what is it that makes the world go round? Sentiment! (*The Honourable the Finance Member*: "Money".) What was it that caused the nations of East and West to spring to arms to repulse the attacks of the Central European Powers in the recent war? Sentiment, Sir, the feeling that might should not conquer right; the desire to assert our belief that humanity was higher and greater than brutality. I dare say, if the Honourable Member turns his glance to the incidents that are now taking place on the continent of Europe, he would hardly advance the argument that the people of Europe at this moment are influenced by motives of pure reason. (*The Honourable Sir Basil Blackett*: "They ought to be; that is the trouble.") Well, Sir, why should we expect more reason in India than we can find in Europe? It is normal and natural that the public should be influenced by consideration of sentiment, and I am glad to think, Sir, that in the Government of this country, there is hardly a single law that does not take into consideration and rightly take into consideration, the feelings and the sentiments of the people of this country. And, therefore, Sir, I do hope that the Honourable Member, in considering this salt duty, will pay due weight to the feelings and the sentiments of the people of this country. Surely, Sir, one of the first and most important considerations in the art and science of Government is to win:

1 P.M.

[Sir Montagu Webb.]

the assent, the confidence, and the co-operation of the governed. And that being so, we must consider sentiment; and we must consider politics.

Now, Sir, I would carry the argument just a trifle further and ask the Honourable Member to think what has happened during the course of the first Session of the reformed Assembly. Three years ago, after the introduction of this democratic scheme of Government, Members were invited to come to this Assembly to assist in carrying on the Government of the country. They came in many cases amidst a good deal of hostility and hostile criticism from unfriendly and sometimes malicious critics. What did they find? The first year they appeared here, a deficit of Rs. 26 crores. They were asked "Would you please vote additional taxation to that extent?" Well, Sir, the newly elected Members of this Assembly with great courage and considerable foresight and statesmanlike outlook did vote that Rs. 26 crores, and were duly abused by the enemy in consequence. That was the first year. Now, Sir, as regards the second year. Members returned a year ago to this Assembly. What did they find? A deficit of Rs. 31½ crores. They were once more asked to assent to every kind of taxation including salt. Well, Sir, once more the Members of this House did vote that extra taxation. They certainly rejected the salt and I was glad to hear the Honourable the Commerce Member say that in the circumstances he thought that Members were right in rejecting the salt and insisting on severe retrenchment, which policy has worked out very well. Now we come to the third year in which these newly fledged democratic Legislatures approach their duties. What are they asked to do? Again a deficit and this time the "ultimate reserve of taxation," as the Honourable Member called it,—the ultimate reserve—the salt-tax is once more brought out and they are asked to double it. And, Sir, the first general election is in sight! This Assembly is finishing its life and going back to the electorate. These Members, having during the whole of their time imposed a succession of additional taxation are now asked as their last act, to double the salt-tax and then go back to their constituents and ask for re-election!

The Honourable Sir Malcolm Halley (Home Member): You kindly voted for us last year.

Sir Montagu Webb: Well, Sir

Mr. President: Order, order. The Honourable Member is rather a long way from the subject. At the moment Chaudhri Shahab-ud-Din moved his amendment the issue was narrowed between the two figures, and particularly I understood the Honourable Member wished to address himself to that.

Sir Montagu Webb: The object of my remarks is to persuade the Members of the Treasury Bench and Government Officers to abandon the idea of *doubling* the salt tax, and to accept the amendment which my Honourable friend has put before them. I may say that although I used the political argument at some length, I was not concerned so much with the fate of the Legislators as with the fate of the Government, and the Reform Scheme itself. Now, Sir, during the last two or three years it has been my fortune to travel round the whole of this country two or three times, and I must say, Sir, that nothing has depressed more than to note the growth of suspicion, hostility, loss of confidence, and disbelief in the sincerity of Government, and of Government's good motives that has sprung up on all sides. This has very often, I think, been the result of ignorance and malice; but still it exists, and I know no royal road to getting over this difficulty. But I submit to the officers of Government that it is very inadvisable in

these particular circumstances to go out of the way, so to speak, to double the salt tax and thereby place a handle in the hands of the enemy to make Government still more unpopular. We are at present in a very difficult situation. I confess that I do feel some sympathy with what an Honourable Member from Bombay said yesterday in this connection that it seemed to me that the Honourable the Finance Member was very severe and unbending in that although we are in a great financial difficulty he would not allow the whole of the war expenditure to be debited otherwise than to revenue

Mr. President: The Honourable Member is now quite out of order.

Sir Montagu Webb: I will come right back. I was about to recall the fact that an Honourable Member from Bombay had severely criticised the Honourable the Finance Member for being stern and unbending. The Honourable and gallant Member, I think, in his similes and criticisms went very much further than needs of the case or the facts of the case demanded. Now, I would like to appeal to my Honourable friends, Mr. Seshagiri Ayyar and Mr. Rangachariar who are stoutly resisting this proposal to double the salt tax—I would appeal to them that they on their side must not be rigid and unbending. Here is an occasion where there must be give and take on both sides. It is no use for us to say that one side is unbending when we on the other side are similarly unbending. I do appeal therefore my friend Mr. Seshagiri Ayyar and his party who propose to leave the salt tax at Rs. 1-4-0 to bend and to meet the situation half way by requiescing in and supporting the amendment put forward by my Honourable friend Mr. Shahab-ud-Din to raise the salt duty to two rupees only.

Mr. President: I see Honourable Members are not very willing to discuss the amendment to the amendment and I shall therefore dispose of it

The Honourable Sir Basil Blackett: Before you put the amendment, if you are about to put it, I should like to say that in the difficult circumstances that have arisen Government obviously prefer Rs. 2 a maund to Rs. 1-4-0 a maund and they will feel bound therefore, if the amendment of Rs. 2 a maund is put before the amendment of Rs. 1-4-0, to vote for the amendment to the amendment to the extent of putting Rs. 2-0-0. They reserve, of course, their right to a further consideration of the question when the main question is put as between the Finance Bill and the amendment.

Mr. Jamnadas Dwarkadas: May I, Sir, request you not to put the question at the present moment?

Mr. President: I warn the Honourable Member that the issue is very narrow and I shall have to pull him up sharply. I had to pull up Sir Montagu Webb three times, and I warn the Honourable Member that the issue is so narrow that it is difficult to keep the discussion in order.

Mr. Jamnadas Dwarkadas: I want to support the motion as moved by my Honourable friend Mr. Rangachariar and oppose the amendment as moved by my Honourable friend, Mr. Shahab-ud-Din, and in dealing with this I shall certainly have to deal with the speech that my Honourable friend Mr. Innes has made in support of the Government proposal. The Honourable Mr. Innes

Mr. President: The Honourable Mr. Innes has not spoken on this amendment.

Mr. Jamnadas Dwarkadas: The Honourable Mr. Innes has spoken on the motion of Mr. Rangachariar

Mr. President: The Honourable Mr. Innes has not spoken on this amendment.

Mr. Jamnadas Dwarkadas: Sir, the Government have taken this attitude now of supporting in the first instance the amendment put forward by Mr. Shahab-ud-Din. To all intents and purposes it may be said that so far as Mr. Rangachariar's motion is concerned we have those that support Mr. Shahab-ud-Din and those that support the Government combining to vote against that amendment. I therefore take leave to review some of the arguments advanced by the speakers for an increase of salt tax. It has been pointed out that it is necessary to look ahead. I hope that that lesson will be taken to apply more to the Government Members than to ourselves. We have had an admission here that the attitude that we took up last year has turned out to be the right attitude, and the attitude that the Government took last year has turned out to be the wrong attitude. I won't wonder if next year, in spite of the strong advocacy that we have heard in favour of the enhancement of the salt tax, we are again told by Government when we have defeated them once more that we were in the right and they were in the wrong. It is they who ought to look ahead and not try to impart that lesson to us.

But, Sir, another argument has been put to us. We have been told, "you are opposing this enhancement only on political grounds, because you are not likely to convince your electorate. Go and educate your electorate." Now, Sir, yesterday you placed upon us a number of restrictions that are imposed on the Members of the House of Commons. I wonder if a responsible Member of the House of Commons could have said to the other Members of the House of Commons, "we are unbending; go and educate your electorate." It is because in this House we have Members who are not responsible . . .

Mr. President: The Honourable Member is entirely irrelevant.

Mr. Jamnadas Dwarkadas: I was only trying to deal with the argument that was advanced. I only meant to say that if the Honourable Member was responsible . . .

Mr. President: If the Honourable Members wish to discuss the general application of the salt tax they had better let me get the issue between Rs. 2 and Rs. 2-8 out of the way.

Mr. Jamnadas Dwarkadas: My only submission, if I may be permitted with all due respect to the Chair to make it, is that the position has been altered by the Government practically accepting the amendment moved by Chaudhri Shahab-ud-Din.

Mr. President: The Honourable Finance Member announced that Government proposed to vote for that amendment but they safeguarded their rights as they must, because they will have a further opportunity in common with the rest of the House of discussing the issue between Rs. 2 and Rs. 2-8.

(Several Honourable Members: "The question be now put.")

Mr. President: The question is that the question be now put.

The motion was adopted.

Mr. President: The original question was:

"That clause 2 stand part of the Bill."

Since which an amendment has been moved:

"That in clause 2, sub-section (1), for the words 'two rupees and eight annas' substitute the words 'one rupee and four annas'."

Since which a further amendment has been moved to Mr. Rangachariar's amendment:

"to omit the words 'one rupee and four annas' in order to insert the words 'two rupees'."

The question I have to put is that that amendment be made.

The Assembly divided:

AYES—48.

Abdur Rahim Khan, Mr.
Abul Kasem, Maulvi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Aiyar, Mr. A. V. V.
Akram Hussain, Prince A. M. M.
Allen, Mr. B. C.
Amjad Ali, Maulvi.
Barua, Mr. D. C.
Bhanja Deo, Raja R. N.
Blackett, Sir Basil.
Bradley-Birt, Mr. F. B.
Bray, Mr. Denys.
Bridge, Mr. G.
Burdon, Mr. E.
Cabell, Mr. W. H. L.
Chatterjee, Mr. A. C.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Dalal, Sardar B. A.
Faridoonji, Mr. R.
Gidney, Lieut.-Col. H. A. J.
Haigh, Mr. P. B.
Hailey, the Honourable Sir Malcolm.

Hindley, Mr. C. D. M.
Holme, Mr. H. E.
Hullah, Mr. J.
Ikramullah Khan, Raja Mohd.
Innes, the Honourable Mr. C. A.
Ley, Mr. A. H.
Lindsay, Mr. Darcy.
Mitter, Mr. K. N.
Moir, Mr. T. E.
Moncrieff Smith, Sir Henry.
Muhammad Hussain, Mr. T.
Muhammad Ismail, Mr. S.
Percival, Mr. P. E.
Reddi, Mr. M. K.
Rhodes, Sir Campbell.
Sams, Mr. H. A.
Shahab-ud-Din, Chaudhri.
Singh, Mr. S. N.
Sinha, Babu Adit Prasad.
Spence, Mr. R. A.
Townsend, Mr. C. A. H.
Ujagar Singh, Baba Bodi.
Webb, Sir Montagu.
Willson, Mr. W. S. J.

NOES—55.

Abdul Majid, Sheikh.
Abdul Quadir, Maulvi.
Abdul Rahman, Munshi.
Ahmed, Mr. K.
Ahmed Baksh, Mr.
Ahsan Khan, Mr. M.
Asjad-ul-lah, Maulvi Miyam.
Ayyangar, Mr. M. G. M.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Barodawalla, Mr. S. K.
Basu, Mr. J. N.
Bhargava, Pandit J. L.
Chaudhuri, Mr. J.
Das, Babu B. S.
Faiz Khan, Mr. M.
Ginwala, Mr. P. P.
Gour, Dr. H. S.
Hussanally, Mr. W. M.
Iswar Saran, Munshi.
Jafri, Mr. S. H. K.
Jamall, Mr. A. O.
Jamnadas Dwarkadas, Mr.
Jatkar, Mr. H. H. R.
Jejeebhoy, Sir Jamsetjee.
Joshi, Mr. N. M.
Kamat, Mr. B. S.
Lakshmi Narayan Lal, Mr.

Latthe, Mr. A. B.
Man Singh, Bhai.
Misra, Mr. B. N.
Mudaliar, Mr. S.
Mukherjee, Mr. J. N.
Nabi Hadi, Mr. S. M.
Nag, Mr. G. C.
Nand Lal, Dr.
Neogy, Mr. K. C.
Ramayya Pantulu, Mr. J.
Ranji, Mr. Manmohandas.
Rangachariar, Mr. T.
Samarth, Mr. N. M.
Sarfaraz Hussain Khan, Mr.
Sa-vadhikary, Sir Deva Prasad.
Sassoon, Capt. E. V.
Schamnad, Mr. Mahmood.
Shahani, Mr. S. C.
Singh, Babu B. P.
Sinha, Babu Ambica Prasad.
Sinha, Babu L. P.
Sinha, Beohar Raghubir.
Sohan Lal, Mr. Bakshi.
Srinivasa Rao, Mr. P. V.
Subrahmanayam, Mr. C. S.
Venkatapatiraju, Mr. B.
Vishandas, Mr. H.

The motion was negatived.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock. Mr. President was in the Chair.

Mr. T. V. Seshagiri Ayyar: Sir, after what the Honourable Mr. Innes said, namely, that from the economic point of view there can be no doubt that the salt tax can be fully justified, it requires some temerity to answer that argument, but I would add in all humility as my friend, Mr. Iswar Saran would have it—I would say that there is another side to that question. Sir, I have collected statistics to show that whenever the duty was high, the consumption of salt in this country has been very low, and as the duty was lowered from year to year, the consumption increased. I will mention only a few figures and then pass on my table to the Honourable Mr. Innes. When the tax was Rs. 3-4-0, the consumption of salt in this country was 28·8 million maunds. When it was Rs. 2-8-0 it came up to a considerably higher figure. When the tax was Rs. 2, it went up to 38·2. When it was Rs. 1-8-0, it went up to 41·3. When it came down to Re. 1, it went from 43·5 to 48·2; and again when it went to Rs. 1-4-0, it came down to 44·8. Now, during the last three years there has been some increase, and it is now 52·8. Now, Sir, that shows that if the tax is low, there is greater consumption of salt in this country; and what does it mean? It means freedom from epidemic diseases, and that people will be healthier in consequence of the consumption of salt. And what do they consume at present? It is 12 lbs. according to official estimates, whereas in Burma, according to official estimate, they consume 17 lbs. per head. Now, if there is less tax, people would be in a position to consume a great deal more and thereby the Government also would be in a position to get more income. Sir, I think if the Government would apply its mind to reducing the tax instead of increasing it, they would get a great deal more income than they are getting now, because there will be greater consumption of salt.

Sir, the Honourable the Finance Member has used one argument very consistently and I must, with your permission, refer to it for a minute. It is this. He told the House that Member after Member had risen in his place and said that there should be a balanced budget. Sir, when we said that at the time when the Budget was introduced in this House—and I was one of those unfortunate men whose expression has been availed of by the Honourable the Finance Member—what we meant was that we and the Government should sit together and see that the expenditure is cut down a great deal more and that thereby the Budget is balanced. That is what we intended to convey to the Honourable the Finance Member and not that if the Government were not going to do that, we should help them by the imposition of new taxes. If the Honourable the Finance Member is under that impression, he is very much mistaken. The argument which has been put forward very often from the Government Benches that it is our duty to balance the Budget has no force whatsoever if they would not meet us half-way. If they themselves cut down their expenditure, then it may be possible for us to meet them half-way. The principle of give and take seems to mean, according to the Government Benches "Give everything and we shall take everything." That is the only meaning they ascribe to the expression "give and take." There is one other matter to which I wish to allude and then I will sit down. It is this. A great deal has been made about this being a question of sentiment and of its not being based upon sound reasons, that it is for political reasons that we are voting

against the salt tax. I will admit for the moment that it is a question of sentiment. But can any civilised Government afford to ignore the feelings of a whole nation? If it is a sentiment, it is the sentiment of the intelligentsia of the country, of the poor of the country and of every one living in the country. Can any civilised Government afford to ignore that sentiment and say "We are going to enforce our sovereign will upon you." Can you say that? Will any civilised Government be justified in saying that? As regards the political reasons, I am astonished that officials who have been born in England and who have been brought up in the atmosphere of political amenities, should take exception to my friends saying that on political grounds it would be impossible for them to go before their constituencies if the salt tax is increased. Sir, speaking for myself, I am in a very fortunate position; I am not in the same unfortunate position that my friends are in. I am a nominated Member and, therefore, I have no constituency to which I have to account; but, so far as my friends are concerned, is there anything wrong on their part if they say "We want to serve the country again and it would be impossible for us to do that if we are parties to the increase of the salt tax." Is there anything wrong in their saying that? I can understand the Government Benches saying "We are not bound to help you; there are as good fish in the sea as come out of it, and those who come after you might help us to balance our Budget." But let me ask them if there is anything wrong on the part of my friends if they say that it is not fair to them to ask them to consent to this tax, and that, if they do, they will not be able to get back. Sir, I think they are justified in that and I think a great deal has been said about it which ought not to have been said.

For these reasons, Sir, I am strongly of opinion that the motion which has been made to reduce the tax to Rs. 1-4 should be accepted by this House. There are some friends who have spoken against the increase of the duty by 100 per cent. but who have voted for the increase of the duty by eight annas. I am quite sure, if they are consistent, they will go into the Lobby with us when this question of raising the duty by 100 per cent. comes to be voted on.

Sir Campbell Rhodes (Bengal: European): Sir, I feel the debate has lost a little of its reality since the trial of strength this morning, but there are one or two points that I should like to put before Honourable Members. Personally I am not altogether sorry that the rather wishy-washy compromise proposed in the amendment of my Honourable friend and so ably advocated by the sentimental financial expert from Karachi did not succeed. I would much rather face the straight issue and at the outset I would like to endorse what Sir Montagu Webb said, about the difficulties this Assembly has experienced, and also to pay my tribute to the Honourable Members on my right who have done so much these last three years and worked so consistently and so successfully to get the expenses of the Government down.

Various alternatives have been put forward and I would like, on the permission you kindly gave us yesterday, to refer in brief to one or two of these alternatives. There is the question of book-keeping my Honourable friend from Karachi advocated—that is to say, to balance the Budget with the help of an eraser and a penholder. I do not think he was really serious in that suggestion.

(An Honourable Member: "He was.")

Sir Campbell Rhodes: He may have seemed so to the Honourable Member, but to me it looked as if he was speaking with his heart in his mouth and *ipso facto* therefore his tongue must have been in his cheek. But another proposal has been made,—and here again I find my foes are of my own household—by the President of the Madras Chamber of Commerce,—this, question of surcharge. I submit, Sir, that the only justification for a surcharge is a national and sudden emergency occurring between two Budget periods when at all costs money must be suddenly raised. I do not know whether it has occurred to Honourable Members—I should like to think that it has not—that this suggestion was the suggestion for tax-paying Bengal.

Mr. Jamnadas Dwarkadas: Also Bombay.

Sir Campbell Rhodes: I will take in my friends from Bombay. They and we between us provide practically the whole of the income-tax and the import duty. But Bengal also, I may tell Bombay, supplies 77 per cent. of the export duties, so that this, Sir, after the generosity of the House last year in regard to Provincial Contributions is an attempt, after giving us 68 lakhs, which they said we were honestly entitled to, to charge us about 2 crores.

Then, Sir, Mr. Moir expressed some doubt yesterday as to what a super-heater was. I may tell him in simple language that a super-heater is a method of turning steam into gas. That brings me to my friend, Dr. Gour. He suggests that the tax on iron and steel should be put up. Dr. Gour had, I believe, a most successful career at Cambridge as an economist. (A Voice: 'No.') I have his own authority for saying so. That, Sir, was many years ago, but I do take exception when he drags into the quagmire of economic fallacy the Members of the Fiscal Commission. I have the book here, Sir, and I can lend it to him and he can rub up his somewhat tarnished economic truths by reading that book and finding out where we recommend heavy import duties on iron and steel. I am not quite sure in regard to cloth whether my friend, Mr. Jamnadas Dwarkadas, was not a little off the rails and was going a little away from the report which he enriched with his own signature. Well, Sir . . .

Mr. Jamnadas Dwarkadas: Will the Honourable Member read out exactly what the Fiscal Commission has said with regard to steel?

Sir Campbell Rhodes: I think it would save the time of the House if Members will read it at leisure. But, Sir, Mr. Jamnadas Dwarkadas will find out exactly what they said in paragraph 108. We have explored all these methods and we have found that they are impracticable. Then we come back to the question of balancing the budget. My Honourable friend, Mr. Seshagiri Ayyar, was very anxious to balance the budget as long as it was cutting down the grants; but he is not so anxious now and he is willing to face a deficit. Well, Sir, I am not. We have done our level best to balance the budget by cutting down the grants and we have failed. The alternative now before the House is a salt tax or a deficit and it is suggested that the salt tax would press more hardly on the poor. I am not certain about that. The Finance Member has pointed out that a deficit is adding to the unproductive debt of the country, but experience has shown that it is also adding to the inflation of the currency. Now, that means in simple language that a rupee purchases less than it did before the inflation and therefore the poor man can buy less salt with the money. Whichever alternative you adopt, whether it is deficit with its necessary

inflation or salt tax, you will inevitably reach the same end, putting some burden on the poor. I think, Sir, and I think most in the House will admit, that this is really a political rather than an economic question. The Members of the House are faced with the alternative of either their lives or their principles, and I would suggest that while it is an uncertainty about their life it is a certainty about their principles, and by saving their principles they may also save their lives. The Honourable Mr. Innes suggested that the constituencies should be educated. It was received very coldly in the House,—why, I do not know. Whether the implication was that the members are not qualified to educate their constituencies or the constituencies are not capable of being educated, I cannot say, but if they want a text book, I strongly recommend to the Government that the eloquent and convincing speech of the Honourable Member for Commerce which he made in the House this morning should be distributed broadcast in all vernaculars throughout the country.

There is another reason, Sir, why I gave my vote last year, and shall give it again, to the salt tax. We have tried, as I have said, to balance our revenue, and we have failed. We want permanently additional sources of revenue. That is what I personally want, and what I should imagine the Government probably also want. Let us face that fact. We are not living now in abnormal times. We are working under normal conditions, and we cannot gamble on better monsoons than we have had this year in the future. Last year my Honourable friend Mr. Joshi twitted me because I preferred salt to cloth. Mr. Rangachariar has, I think, answered that argument, but I may point out that in the interests of the people, it is better that for every rupee you collect sixteen annas should go into the pockets of the Government. That is the case in salt. The case of cloth is that for every rupee you collect from import duties six annas will go into the pockets of Government. I hope, therefore—though I admit it is a very faint hope,—after the division this morning, that the House will reconsider this matter.

Captain Sassoon in a speech which contained much that I personally take strong exception to mentioned that it was within the rights of the Government to restore this salt tax if the House threw it out. Where you have rights, and I am addressing myself now to the Honourable the Finance Member and his colleagues, you have also responsibilities,—if Members say they must represent their constituents, then the Honourable the Finance Member must represent sound finance; otherwise it was not necessary to have brought him out from England; we might have got our Finance Minister nearer, say from Karachi. (A Voice: "Why not from Calcutta.") I am afraid Calcutta would not help. A celebrated surgeon was taking half a dozen senior medical students round the hospital in London, and coming to a certain bed he asked the students what they thought of the condition of the patient. They all said, he was not very ill and they thought if he were left alone he would be all right. The surgeon replied "Gentlemen, you do not realise the symptoms, and I shall operate to-morrow". Here the patient interposed and said "you will certainly do nothing of the sort when the majority is 6 to 1 against you." I leave the Honourable the Finance Member and his colleagues to take the bearing of that story and to decide what is right both in the interests of their own reputation and of the life of the patient. But I appeal, Sir, once more to the House to take a more statesmanlike view of this position than has been indicated in some of the speeches. My Honourable friend Mr. Rangachariar says that the Government Benches are afraid of odium. The

[Sir Campbell Rhodes.]

Honourable Member for Commerce has looked across the House and has said "Why not have the pluck to do it?" Standing in this position, Sir, I see many reeds on both sides of the House shaking in the wind and I would urge a little courage. I would urge Members to lead rather than be led by their constituencies. This question of odium does not appeal to me at all. Face the odium. I gather Mr. Rangachariar's new chemical designation for salt in future will be "odium chloride". I appeal, therefore, finally, Sir, to the House to accept their responsibilities and not to look back at the burning cities of bankruptcy behind but, if they do it, I can only repeat that old warning, which seems extraordinarily appropriate to the subject before us: "Remember Lot's wife."

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): Sir, notwithstanding your best endeavours and the prevailing depression in trade, one trade, in particular (in spite of this stifling weather), has been flourishing, and that is the trade in red herrings constantly trailed all across the line. Some are always trying to get us out of vision of the one issue now before us, and that is whether there is going to be enhancement of salt duty to the extent of Rs. 2-8 after the amendment to the effect that it be raised to the extent of Rs. 2 has been lost. That is all that we are now concerned with. And I do not think that appeals to passions and prejudices, whether with regard to provincial contributions or the likelihood of Bombay and Bengal having to pay more in the shape of income-tax and customs duties, need trouble us for the present purposes. I should have thought, Sir, that, after the Honourable Mr. Innes's eloquent disclaimer of eloquence of a democratic nature, we should have had less eloquence of a bureaucratic nature, trying to take us away from the issue before us.

Sir, an appeal has been made on the ground of economic aspects of the question. I desire to offer one or two observations with regard to that to start with.

Mr. Innes gave us certain figures. The latest figure, according to him, regarding the Delhi retail salt market, is 11 seers to the rupee or thereabouts. Mr. Innes probably, like another occupant of the Government Benches with whom I had the honour of talking about the matter, had sent for his butler and asked him what he spends on salt—if his butler is the man to spend money on salt as he spends money on other "necessities." He may have found out, by calculations in his office as well as this direct investigation, that the increase is no more than 3 annas a head. Well, I had the curiosity to send for my bazaar *chit* this morning and the retail price of salt at Delhi this morning, or yesterday morning, is 10 pice to the seer for, no doubt, salt of the better kind. Therefore, it is not a question of whether the extra tax is to be 12 annas or Rs. 1-4. It is much more. The moment you disturb the market after it is getting settled down, unscrupulous—call them if you like—dealers, middlemen, intermediaries, disturb the market to an extent that makes the real rate inoperative for you cannot stabilise retail rate without objectionable control. Last year, there was this attempt to raise the tax. It failed. I don't complain. I don't call it want of consideration or courtesy on the part of Government to bring it forward again. It is worse. I would like to borrow

3 P.M. Mr. Innes' own language with regard to attempts to interfere with other portions of the Finance Act Schedule. He appealed to us not to disturb other markets on short notice but to let things go on. Well,

last year people thought that a steady salt rate was to be continued and on the 1st of March we have this proposal. Disturbing influences have been in operation already and revenue to the tune of Rs. 30 lakhs will probably have been collected by the end of the month. But the people pay a great deal more. All this goes to show that although the initial amount of taxation may be small, the extent of bad and malignant influences on the market is tremendous, and we have got to save people against results of fluctuation. Sir, the question of the use of tea in England has been brought in. I should like to know whether England makes its own tea in the same way as India has been making its own salt and can make its own salt if it is allowed and if there is encouragement. Therefore, the two questions are not analogous at all.

Mr. R. A. Spence: Are both necessities?

Sir Deva Prasad Sarvadhikary: Well, salt also is I suppose a necessity in England—at least now. Is it taxed? Where is the good of talking about necessities that you create. To some people beer is a necessity. But that is no reason why the Honourable Member from Bombay should plead for free beer.

Mr. R. A. Spence: No, not at all.

Sir Deva Prasad Sarvadhikary: Coming to another branch of the economic question, 3 annas only—a miserable negligible 3 annas—to be added per head and why object to it. But 3 annas out of how much? The other day a question was asked in the House and was never attempted to be answered because Government had not the materials though it should have. "What is the average income of the people of this country?" was asked and we have no up-to-date information. In old school books, probably now standing discredited, it was put down at something like Rs. 50 a year. (*A Voice*: "Rs. 35.") I am taking it at the higher figure, because that was at one time quoted. Let us have it even at Rs. 60 a year or the stupendous sum of Rs. 5 a month to be spread over all the necessities of life. We have been reminded, Sir, of how the cloth situation will be affected if we were to put on what was suggested with regard to surcharge on customs duty. But let me assure this House, Sir,—at least that portion of the House that does not know anything about it—that the 12 yards or 10 yards standard of cloth does not apply to people except to a very small extent. There are people in India who have to go about from month to month and year to year with a modicum of 3 yards of clothing purchased or donated at some ceremonial time and which has to do duty for all the year and more. But these people must have salt and plenty of it. That is the only thing that they have to fall back upon. As regards tobacco that Chaudhri Shahab-ud-Din speaks of, I am at one with him. Like me if he will start an anti-smoking society in the Punjab and be the President of the society I should understand his point and plead that the agriculturist or the artisan who spends Rs. 2 on his tobacco and should not do that. But the men I speak of have to go on from day to day literally without their pinch of salt. What is the use of quoting cloth figures and tobacco figures with regard to a much more prosperous class? This, Sir, with regard to some of the economic aspects of the question.

As regards the political aspect, Sir, I shall take up a much smaller issue. Was there any political aspect of the kind suggested present in the

[Sir Deva Prasad Sarvadhikary.]

minds of Assembly last year? There was none, for there could be none. And yet the House made up its mind definitely, and unmistakably and made that mind quite clear. Sir, as I have had by way of penance, occasion of telling the House more than once, that all these stock arguments in favour of salt duty are absolutely familiar ground with me, because I have had—I shall not say the misfortune but the necessity of using them longer than Mr. Innes has been in service. But I have long changed my point of view, examined the foundation of belief as Mr. Innes appeals to us to do. I believe that where the country is strongly and fairly unanimously of the mind that it is with regard to salt duty, it is the duty of those who have been favouring us with those stock arguments to revise their position and see eye to eye with the country which should be spared this fiery cross. It is a mistake to suppose that we cannot face our constituency because there is going to be this extra salt tax. Would it affect them? It is a very limited constituency, a very limited constituency. I repeat though I hear a cry of 'No' behind me, I shall explain myself. The constituency has to pay a certain amount of tax without which they cannot come on the register of voters. They are not in the position of those I speak of and will not mind an increase, slight or large. It is those who are never on the voting list, who have no chance of coming on the voters' list—it is those that this House has to think of, and not merely of the individual constituency. All these considerations point to one direction regarding the immediate matter before us, namely, this House cannot consistently with its attitude last year do anything but oppose the proposed salt tax. Sir, I shall not take a share in the red herring trade and I shall not get in this connection again into the question as to how this budget is to be balanced. We have had our say. We have made our suggestions, we have shown our anxiety to do the best we can to help the Government. (A Voice: "No.") There is absolutely no good of meaningless interruptions like that because the House tried to find the best devices it could on short notice and insufficient materials which have not been acceptable. As Mr. Rangachariar has pointed out, we are prepared to meet a deficit as we make it out, not one that has been made for us, certainly not one that has been handed to us not only for a series of years but almost for generations. We have done a great deal. We want to do more and rigid retrenchment is one of the methods. The Honourable Mr. Innes reminded us that there is a great deal of difference between last year and this year. So do I say, and we have just begun retrenchment; we have not devised nor carried out retrenchment to the fullest possible extent. I recognise that the whole of even the Incheape reductions could not be carried out this year. I also recognise that the civil authority have been partly helpful. I am thankful that the Railway authorities have to a certain extent come to our assistance by accepting my proposal about the Railway cut and by being helpful in other ways. While we have succeeded in getting a cut of Rs. 62 lakhs I believe or in the neighbourhood of that figure on the civil side, could not the Military authorities do something since we appealed to them last? There is a considerable amount of margin of recognised possibility of reduction leaving alone reduction of units and other questions that must await decision elsewhere. Could not the Military Authorities have taken our pitiful circumstances into consideration and said, here is another crore which without inconvenience we propose to spare, say out of the barracks, say out of the stores, or out of a thousand and one other things with regard

to which neither Whitehall nor the British Cabinet need dictate—could not they have come to our assistance and helped us and thereby minimised the supposed deficit? Then there is the question of accounting so slightly spoken of; but that has got to be put right. These are matters which under your ruling, (and I do not want to abuse your ruling except to show that ours is not a blind vote)—I will not go into now. The major question now before us is as to what is to be done with regard to this extra tax and I think that the House has one clear duty before it, namely, to reject it. Those who could not go the whole way with us but were for a compromise of Rs. 2 cannot now go back upon what they have given out as their principles, including the gentleman from Karachi who has come in for a good deal of Bengal sarcasm. In the words of Mr. Seshagiri Ayyar, they have to go into the lobby with us.

Mr. T. E. Moir (Madras: Nominated Official): Sir, I am afraid that I am in trouble again. I do not like to be in trouble, especially when it is really my own fault. But it is rather a shock to me to be accused by my Honourable friend Sir Montagu Webb of being devoid of sentiment. I was, Sir, under the impression that for the last year or more I had been engaged on a somewhat quixotic crusade which practically every one else thought could only be defended on sentimental grounds. But it is my own fault, because my Honourable friend based his remarks on a speech which I made yesterday. Sir, I am not a particularly adroit or experienced debater and I think the House will remember that I had the misfortune, quite deservedly I admit, to be called to order by the Chair for going beyond the scope of the debate and inexperienced as I am,—I am rather easily put out of my stride—the result was that various misleading lacunæ were apparent in my argument which might not otherwise have appeared. But Sir Montagu Webb himself is not entirely devoid of sentiment, is, may I say, not devoid of practical common sense either because in referring to my lack of sentiment he himself took the opportunity of putting forward what I might refer to as Sir Montagu Webb's election mixture, which, as far as I could make out, was 50 per cent. sound common sense and 50 per cent. sentiment. I have no doubt that is a very good mixture for elections. But I also think that what we are still really discussing is this deficit and how it is to be met. Now, opinion on this point has apparently somewhat veered in certain quarters since yesterday, for I remember distinctly putting the question whether it was not the case that every Member in this House agreed that the deficit had to be met. I paused for an answer deliberately and I heard not a single voice raised in dissent from that proposition though demurred to to-day. Now, Sir, have I ever said that I liked the salt tax or that I liked additional taxation? I do not, any more than any other Member of this House. But surely when it is a choice of evils it is at least legitimate to consider that in the interests of the country at large, it may be worse that we should leave that deficit uncovered than that we should cover it by additional taxation, even if that additional taxation implies an addition to the salt tax. I do not think that there is any question of callousness necessarily involved in putting forward that proposition. I do not expect every one to agree with me, but at any rate there surely is, I think every one admits it, much to be said against our leaving this deficit uncovered. Now, Sir, it is very difficult to confine oneself to the point or points which happen to arise out of a particular motion or amendment, but I should like to state now,—I think I shall in the main only be repeating—some of the arguments as regards the salt tax. I shall do so in the first place from

[Mr. T. E. Moir.]

a purely financial standpoint, if I may try for a moment to ascend those somewhat arid heights which most of the Members of the House rather studiously avoided. I should like to endorse what Sir Campbell Rhodes has said as to the fact that the salt tax has at least one merit, that you do gain the whole of the additional taxation for the public exchequer. My Honourable colleagues on the Finance Committee will remember that in the last two months we have had a large number of proposals put before us for the strengthening of the other revenue-raising Departments, whether it be the Customs Department or the Income Tax Department or our Railways or our Posts and Telegraphs, and on each occasion we have been told, and we have generally found it necessary to accept that view, that this additional expenditure was essential in order to secure the additional revenue. But as regards the salt tax, I remember last year—I can speak for Madras only—that when we were informed that the salt tax was to be raised, we did not consider it necessary to ask for a single additional clerk or peon or any other official in our salt establishment; that is to say, that the whole of the additional taxation was going to be collected without any additional expense; and here perhaps I might correct a statement which I have heard from one Member, that is to say, that the additional taxation proposed was 6 crores; I understood that it was 4½ crores, this year. I suppose that the reason why 4½ crores only is estimated is that there are large stocks at present in the hands of dealers which they will naturally sell before buying more salt. But at any rate that advantage cannot be claimed for the other proposals which have been put forward as alternatives. The two principal alternatives are, an increase in the customs or in the income-tax. Now I cannot help being struck by the fact that the income-tax and customs have let us down very badly in the last two years, and that it is exceedingly doubtful if any readjustment of the income-tax or the customs could possibly meet our real requirements in the current year. In saying that, I am not in the least attempting to argue that the compromise which some Members of the House sought to achieve would have been a bad thing. I would have been prepared myself, if that compromise had been secured, to welcome it, in spite of that lack of sentiment which has been attributed to me. A further point to which I would like to draw the attention of the House is that as far as I can see—and I am here talking of the four principal heads of revenue with reference to which, I think, comparison might justly be made—that whereas in 1913-14 the salt tax represented something like 26½ per cent. of the revenue under those heads, even with an increase to Rs. 2-8-0, at which figure I may remind the House it has stood on a previous occasion, the percentage that the salt tax would bear to the total collections under these heads would be only about 15 per cent. Now, what this conveys to my mind, taken together with the failure of Customs and Income tax to realise our expectations, is that the effect, the financial effect, of the new financial arrangements have not been entirely or correctly foreseen and that there is in consequence a lack of balance and of due proportion in the present incidence of our taxation, for which the present proposal will really be in part a remedy. I cannot possibly enter now on such a wide question, but it seems to me that the criticism applies not only to our taxation but also to our tariffs, and that the temporary expedients such as have had to be adopted year by year with reference to the existing financial situation have gradually thrown our whole taxation system out of gear. I sincerely hope that that is a question which the Finance Department will take

under consideration before another budget is placed before this Assembly, because I do not think that we cannot possibly go on for another year, quite apart from questions of deficit or anything of that kind, without a real over-hauling and examination of the principles underlying our taxation and our tariffs. Now, to deal for a moment with the sentimental grounds I do not think that any Member has really made out a case that we are going to impose on the people of this country an intolerable hardship by this increase of the salt tax. As has been pointed out, any slight increase, any slight fluctuation in food prices, a few weeks' anxiety about the monsoon in any part of the country, would have a much more serious effect on the agricultural population than the proposed increase in the salt tax. But there is one consideration with reference to this question of balancing our Budget which I would like to put to the House. I have listened in this Assembly to a great deal of discussion about tariff reform, about our being master of our own fiscal policy. We have even talked of the abolition of the salt tax. Now, I am perfectly certain that all such talk is entirely in vain so long as we continue to have deficits; so long as we have deficits, our financial policy must be deflected by purely revenue considerations and it would be no use of our talking about tariff reform or fiscal freedom; and paradoxical as it may seem, the royal road to the ultimate abolition of the salt tax may be to balance our budget this year even if it be at the cost of increasing the salt tax. At any rate, if we want our fiscal freedom, in my opinion we have got to get rid of both deficits and of provincial contributions.

Now, Sir, I wish to turn to a few remarks which fell from one or two of the speakers in this House. Dr. Gour said that he would not tax salt because it was a necessity. Now, I would ask Dr. Gour if he considers clothing a necessity. I have always understood that clothing is regarded as the mark of and necessary to a civilised community and I have several times in the Indian press seen it thrown up against my own countrymen that at a time when India was at the height of its civilisation my ancestors were roaming the woods in a garment which consisted of at most two coats of paint. For myself, I have always been rather suspicious of the truth of that statement. My own experience of the hills and heights of Caledonia stern and wild has convinced me that the climate is really against a garment of that kind; in fact, I have not even had the temerity to wear what is regarded as my own national costume. But I was also interested in Dr. Gour's interpretation of the constitutional position of an elected Member of this Assembly with reference to his constituents. Dr. Gour said that the correct position was to follow their mandate. Now, I would have no objection to Dr. Gour following that mandate if he did it consistently, but, since I came up to Delhi, I have been deluged with literature in the form of protests against legislation proposed by Dr. Gour. One piece of that legislation is, I find, entered on the agenda for to-morrow. (*A Voice*: "Oppose it.") I do not know and I cannot say what the real attitude of Dr. Gour's constituents is to that legislation, but certainly the impression I have got is that they are distinctly against it. But I do not think Dr. Gour can have it both ways. He cannot lead from in front in matters of social reform and lead from behind in matters of taxation.

Now, Sir, I should like to turn to one or two remarks made by my Honourable friend Mr. Rangachariar. I was astonished to hear him throw

[Mr. T. E. Moir.]

out the suggestion that Government were in this matter merely attempting to deceive the Assembly. Now I have had many a bone to pick with the Government of India, but the suggestion that they have some ulterior motive in view, other than that of sheer financial necessity in balancing the Budget, has never crossed my mind, and I should have thought that the paramount obligation upon the Government of India to do so would be evident to anyone, and of course I am not in the least prepared to suspect the Honourable the Finance Member of wishing not to balance his Budget but to ensure the position of the Government of India so that they may continue on what Mr. Rangachariar terms their extravagant course—that rake's progress of which we have heard. If I found any reason to suspect that that was the case, let me assure Mr. Rangachariar that I should gladly join him in the hunt. Now I hope, Sir, I need say nothing more about the suggestion that the Government of India are a set of bold buccaneers who are merely raiding hen roosts for their own purposes. But another remark which the Honourable Mr. Rangachariar made was that he was not prepared to tax foodstuffs. That remark seemed to me incomprehensible. Ever since taxation was known, it seems to me that in India, the fiscal system had been based on the taxation of food stuffs. Is our land revenue in its essence anything else than the taxation of foodstuffs? What is it derived from? In the old days the Government of the country took its share direct of the foodstuffs. It took it in kind. Subsequently, when currency came into vogue and it was possible to do so, for the convenience both of itself and the people of the country it converted that share of the foodstuffs of the country into its cash equivalent. But what still more astonished me was that while many Members of this Assembly avow they are not prepared to vote any additional burden on the poor agriculturist in this matter, they are not consistent even in this. It was only the other day that I heard one Honourable Member—I do not think he is present now—say with reference to the question of tariff reform and protection that he was prepared to put a burden and a considerable burden on the country. He admitted that it would be a burden and he said that he was prepared to put that burden on the country, and he also assumed at the same time that the country would be prepared to take that burden on its shoulders. My Honourable friend, Mr. Rangachariar, also pointed out that even in the stress of war time the Government of India only imposed an addition of 4 annas to the salt tax. Now, Sir, when I came up here I was very unfamiliar with the financial policy of the Government of India. I am still very much at sea, I admit; but I have been slowly coming to the conclusion that to a very large extent our financial troubles now are due to the weakness—I might almost say, the folly—of our financial policy during the war. Those years of the war were really, as far as India was concerned, the fat years, and in those years we made no provision for the lean years which we did not see were coming, and in that respect I almost feel that I owe an apology to the Honourable Sir Malcolm Hailey.

I had been inclined, like some others, parrot-wise I am afraid, to assume that the responsibility was mainly his. I am beginning very much to doubt that, and to feel that it was not his fault so much as the fault of his predecessors who left to him a financial situation from which we are only now beginning to extricate ourselves. Now, Sir, one last point. One Honourable Member, I think it was the Honourable Member for Commerce

and Industry referred—I have hitherto been dealing with the question on pure financial lines—referred to the political grounds underlying our attitude towards this question of additional taxation on salt, and in that connection he referred to the fact that apprehensions of what the non-co-operators might say or do account largely for that attitude. Now, as to that, I have personally had much experience of the ways of the non-co-operators, and I do not think that I am likely to underrate either their malice or their capacity for abuse. But I will say this, that I have never yet known—I cannot recollect a single occasion on which any Government in this country or any official or any responsible non-official has yielded to his apprehension of that capacity and at the same time received any recognition or gratitude from the non-co-operators for so doing. But I will add, Sir, that in the Madras Presidency at any rate we are not afraid of non-co-operators. We have had our fight with the non-co-operators and we have beaten them and those who are now engaged in working the reforms in that Presidency are in no wise to be terrorised by the non-co-operators or by threats of what they may say or do. This budget as I have said has given to the Madras Presidency a view from Pisgah of the Promised Land, and let me say this, that if the Madras Presidency consents once again to go forth into the wilderness it will not be because of anything that the non-co-operators may say or do.

Rai Bahadur Bakshi Sohan Lal (Jullunder Division: Non-Muhammadan): Sir, it is admitted on all hands that salt is a commodity of life which is an absolute necessity for every human being, as well as for agricultural animals, specially of this poor agricultural country. A tax on salt affects more or less everybody from the highest to the lowest, but as a matter of fact it affects the poor the most. The middle classes, the wealthy people and others have the good luck of tasting other things like sweets, acid things and others, but the poor have got nothing to swallow their dry bread except with the help of salt. Salt is the only medicine for them; salt is the only luxury for them, and salt is the only thing on which their life can depend. The logic of the enhancement of the wages of labourers does not apply to the case of the salt tax. The 300 million or more population of this country does not consist entirely of labourers or traders or official and non-official workers. The proportion of such men is not more than one-tenth of the whole population. The majority consists of those who are unfit to work, the unemployed, indigent, impecunious, old persons incapable of moving about, the poor, the sick in bed, the children and *purdanashin* ladies, and last but not the least Hindu and Muhammadan widows with some children in arms, who, even if able bodied, have to depend entirely on a scanty earning of one anna or two by working a *charkha*. The reason why some Members of this Assembly have spoken in support of increasing the salt tax is because they do not know the condition of the poor people of this country. There is no representative of the poor in this Assembly, because they have no place even on the franchise list of the provinces or of the Assembly. They have got no property or other qualifications to send their representative. The labourers have got their representative in Mr. Joshi who is nominated by Government, but may I ask, who is representing in this Assembly those who are not labourers or have any property qualifications? The number of these people is certainly much more than those who are represented in this House. Their number who are not represented here is probably not less than 9/10ths of the whole population of this country. Are we not to safeguard the interests of those who are not represented here? Only those people who go to the

[**Rai Bahadur Bakshi Sohan Lal.**]

villages know of what value salt is to the poor people, where salt is not produced. These poor people will take in barter the things which are produced in the village, grain, or any other thing, but salt which is to be imported from a distant place is to be purchased, and it cannot be assumed that it is very easy for every individual in this country to pay four annas. The number of people who are able to pay four annas is very small; the greater majority of them are those who cannot afford to pay even 4 annas. So it is in the interests of those persons who have no voice in this House except by the generosity of the Members of the Assembly that this salt tax should not be increased. I should say that even the most greedy among the profession of money-lending or of law or of medicine extend their free help to such men. There is a Punjab proverb that *Dagan bhi ek ghar rakh leta hai* which means that even a wizard retains at least one house untouched from his life-sucking charms or magic. There is an exception to every rule, so if there is to be an exception to taxation, salt should be the exception. A duty on tea, timber, cloth, iron, chinaware, tobacco, etc., or even on railways or postages will affect only those who can afford to pay in consideration of what they avail of, but this salt tax mostly affects those who cannot afford to pay and who cannot enjoy even the advantage of tea and cloth, etc. Their case is quite different from the rest. The enhancement of the wages has not in any way ameliorated their condition. They have rather been put into the worst position by the increase in the prices and in the wages. They have no means to earn but have to pay higher for their dry bread and salt. May I ask, is there any tax on salt in England, in France, in Italy, in America, or any other country? (*The Honourable Sir Malcolm Hailey*: "Yes, it is a state monopoly in those countries.") That is a different thing altogether. Certainly we will have to balance the budget of this great empire, but we also have to look to the budget of the poor and I respectfully submit that under any circumstances the tax on salt ought not to be increased and, if there is any occasion for a prosperity budget, the first thing to abolish would be the existing tax on salt. With these words, I support the motion.

The Honourable Sir Malcolm Hailey: I feel under a great disability in addressing the House at this moment. Not only has the House already by its previous vote given some indication of its feelings on this question but the arguments on both sides have been put and rebut, have been argued and counter-argued and I feel that it would be of little avail to me now to re-state the case for the increase in the salt tax or to argue its necessity in the light of our financial position. Yet, there are considerations which I must put to the House, for I feel deeply the gravity of this occasion. I have felt it so deeply myself that I, with other friends, have been unremitting in our efforts to attempt some solution which would avoid the motion for doubling of the salt tax being put to the vote of the Assembly. To avoid that, we were willing to agree, as the House knows, to a solution which we ourselves felt in some respects highly undesirable. I need not go into its details here, for the attempt has failed. With the best good will we could not secure agreement, and we now stand faced with the necessity of supporting on behalf of Government the original measure embodied in the budget proposals. And this, Sir, comes at a moment when we are closing a momentous chapter in the history of this Legislature and indeed of the Reform Scheme. One has only to look back on the events

of the last year to realise its importance. It is not only the fact that the Legislature has represented to us, who have the interests of the Reform Scheme at heart, a proof that there was in India a strong and solid body of moderate opinion which the chief bulwark against the forces of disintegration and almost, I would add, of anarchy that seemed at one time to be flooding the country; it was not only that it has proved to us that to that extent the Reforms were a success; but its own history as a Legislature has not been devoid during the last year of incidents which will have a powerful bearing on the history of India and its relations to Great Britain. I need not perhaps dilate on the importance which history will attach to what has happened in this Legislature in regard to questions such as our fiscal relations or to the Bill which affected the juridical relations of Europeans and Indians, nor in another sphere, to the discussions regarding the State management of railways. It is enough to say, that this question comes as the last of a series of discussions of the highest importance; it will be practically the last serious decision which this Assembly as an Assembly will have to take. Our business in Simla is seldom of the first importance. We foreshadow only a short Session there this year, and naturally, in a short Session, we shall, if we can avoid doing so, avoid bringing before the Assembly any matter of very grave moment. But that is not the only reason why I feel the gravity of the occasion, for it is an open matter between us that the decision will have other implications of a constitutional nature. Perhaps those in themselves are more important than the effect of this immediate decision

Mr. K. Ahmed: What are they?

The Honourable Sir Malcolm Hailey: . . . more important perhaps than the effect of this decision on the finances of the country.

Rao Bahadur T. Rangachariar: Don't raise them.

The Honourable Sir Malcolm Hailey: I have no intention and indeed need to repeat that defence on the economic side of our proposals so brilliantly put forward by my friend Mr. Innes. I am dealing rather with larger issues. I am answering the first question which has been put to us, how we, as a Government, came to put this proposal before the House. Indeed, it was put to us in this form, which suggested that we had done so lightly and without due consideration. Sir, was it likely that a Government constituted such as ours, and a Government which had behind it the record of the last two years, would have put such a proposal forward lightly or without a due provision of its consequences? There are those in the present Government who in their sphere and among critics, both in India and outside, have incurred a certain amount of obloquy because we were previously unwilling to produce or to face a constitutional deadlock. Surely we of all others would hesitate to do anything which would seem to imperil an ideal to which many of us were firmly attached, I mean the progress of reforms. Is it likely that we would have put forward such a proposal unless we had felt that it was the only and the final solution of our difficulties? One final remark; I know I am now treading on somewhat delicate ground and I must choose my words—but I said that the proposal involves grave constitutional implications. Well, how came it then that we as a body put forward a proposal which, by carrying such implications involved also consequences affecting the head of our Council, for in the ultimate resort an individual responsibility of a very heavy

[Sir Malcolm Hailey.]

nature might fall on him? I can only say this that it was unlikely that we would, without the most anxious consideration, give advice to the head of our Council which might finally involve him in making a decision of so momentous a nature, the more serious for him because not only has he a long Liberal career behind him, but from the first has had as his one consideration out here the task of making a success of the reform scheme. Well, Sir, we put this proposal forward, as has already been pointed out, in circumstances entirely different to those which prevailed last year. Last year we had our deficit, not the first of such deficits I am sorry to say. It was no doubt impairing our credit, but circumstances had not arrived at the condition in which we now find ourselves. Let me explain the matter from my point of view. Deficits are an extraordinary danger in finance. But although our operations last year presented all the characteristic dangers of a deficit, that is to say, although it forced us to raise our temporary loans at a higher rate because we had not a hold on the money market, although constructively, at all events, the series of deficits may have led to some inflation, yet we had not arrived at the stage when those who were advancing us money could definitely say that they despaired of our ability to rehabilitate ourselves. The circumstances of our finances had not then been explored to the full. Now we are in a different position. We have had every sphere of our expenditure narrowly and carefully examined. We have loyally and to the best of our ability given effect to the recommendations put forward by the expert body which examined our expenditure. (*A Voice*: "Not fully.") Not fully, Sir, because no human being can forthwith and within a few months give complete effect to such recommendations. But I am taking the position of the outside world. They will say that last year it is true there was a deficit, but it was quite possible that this was temporary, since we had not then regulated our affairs. Now, they know that even after the immediate maximum of retrenchment has been made India will have a deficit. That affects our credit in quite a different degree to the circumstances of last year. I sincerely believe that unless we can now balance our budget we shall be affected in our credit; and let me say that I am not sure that it is always recognized in this House quite what this means to us. Until we re-establish our credit we shall always have dear money in India. Since we must borrow both in Europe and in India the effect of short borrowing in England so increases our operations here that we lose all control over interest rates. Dear money in India does not only mean a fresh burden upon our revenue but it means of course high interest rates throughout the country, and that affects everybody, everybody who is starting a new industry, everybody who is seeking finance to maintain an existing industry. The re-establishment of our credit for the purpose of raising our loans is a primary necessity not only for the State, but it is of vital interest to everybody concerned in commerce or industry in this country. That then is our obligation towards our credit. But we had also the internal obligation, if I may use that word. In the first place, it is clear that our retrenchment will leave us as a Central Government almost stagnant in some Departments. That fact has already been sufficiently voiced in the House and not only on this side of the House. Our retrenchments will leave us in a state in which we can do nothing to promote that higher technical education which is necessary to fit Indians to take their place in our Imperial Services. But of course we have also

a further obligation. Mr. Rangachariar said that our only object in trying to get this extra taxation by salt was so to confirm our position that we might rely on maintaining always an expenditure level of 180 crores. Now, of course, that is not so. In the first place we know that although we can give effect this year to part only of the proposals of the Retrenchment Committee, the effect of those proposals should be continuing. We do not necessarily look merely to maintain expenditure at the level of 180 crores, because we hope the effect of the Retrenchment Committee will, given fair harvests and fair times, enable us to reduce that. But we have obligations of 9 crores of rupees to the provinces. I am not going to dilate on that question myself. It has caused me enough criticism and enough unhappiness to justify me in avoiding the subject. But there the obligation remains and somehow or other we must confront the necessity for our revenues being reduced by that amount. Those then were our obligations, and it was with a sense of the gravity of those obligations that we put forward our budget proposals. We are told that we might have avoided putting them forward, if we cared to do so. It has been suggested to us, but I do not think it has been suggested to us seriously, that there were other forms of taxation; I say, not seriously because when the House has tried to explore those other forms of taxation, it has always fallen into divided camps on the subject. I think I may say with some confidence that, had we from the very first and while preparing our budget been discussing with the House these alternative forms of taxation, the differences which have now appeared would have been equally strong, and we should have found ourselves in exactly the same position. Anything which involved further direct taxation would have been deeply resented by one section, and anything which involved further increase of the customs would have been equally resented by others. So I think I am justified in saying that now at all events the House at large is agreed that alternative forms of taxation could not safely be recommended as supplying the deficiency in our accoupts. We are told again that we could have avoided it if we had acted more strenuously in following the recommendations of the Inchcape Committee. Indeed some have even gone much further and have said "A fig for your Inchcape Committee! if we ourselves had undertaken retrenchment, we would have gone very much further; it was an accommodating kind of Committee which first learnt how much each Department could spare and then proceeded to cut just that amount off." A more unjust, a more unreasonable description of the operations of that Committee it would be impossible to frame. I believe myself that there are few in this House who ever thought that a Retrenchment Committee could put forward proposals for so substantial a reduction in our current expenditure; and I can say with confidence that if those who say we have not done our best to meet the recommendations of that Committee, were to sit with us and were to attempt to face the task of carrying those recommendations out, I doubt myself whether they would be successful, as we ourselves are likely to be, in carrying out those recommendations. "A few crores more off the Army would do all that was wanted!" It is an easy word! But I, who had some experience of the difficulties of reducing army expenditure after the Great War, who have seen how extraordinarily difficult it is when you are just building up your machinery after the chaotic conditions introduced by such a war. I have seen how almost impossible it is at once and at one swoop to make large reductions, unless at the same time you reduce the strength of your combatant troops. Personally I believe that we shall be lucky if we manage to work down to the figure which we have taken for the retrenchments

[Sir Malcolm Hailey.]

recommended by the Committee in the present year. At all events I can say, with the utmost confidence on behalf of my colleagues, that if ever their ready compliance and loyalty was shown in carrying out the recommendations of a Committee, many, if not most of whose recommendations were bound to be distasteful, that loyalty was shown on this occasion. We are told that there is another method of meeting the difficulty; and here, again, well aware as I am how much this question has already been discussed, I shall touch on it but very lightly. I mean the method of altering the form of our account. I should not indeed have touched on it at all if it had not been that our inability to take this course has been quoted as a proof that we ourselves have been unduly obstructive, unduly hard to move, and unaccommodating in this respect. I say 'ourselves', Sir, advisedly, because there was a personal attack made on the Finance Member, which attributed that attitude of mind entirely to him. Sir, I do not see the author of that attack. (A Voice: "He is here.") Yes, he is here. I should like to say as little as possible as to the manner of that attack. I will say a little of it, because I believe myself that on the whole the House so far disagreed that it has strengthened Sir Basil Blackett's position. But I must say this, that it has been one of our traditions here, and a tradition of which we are proud, that we do not indulge in personal attacks on each other. We attack each other's ideas; we attack each other's principles; we attack each other's policy. In neither case are we sparing in our criticism. But we do not attack the individual. Yet that is exactly what was done on this occasion, and were that method to be followed generally in this House, there are few who would not have cause to look back on the innovation with genuine regret. As to the arguments on which that attack was based, I must say this. So far from any one individual member of our body having been unduly unaccommodating in this respect, anything that has been done in regard to the restoration of grants refused is the decision of our body as a whole and we stand and fall together by it. Now, grants have been restored in two respects. One relates to the Royal Commission. I suppose there is nobody here who did not expect that if the vote went against us—and I think I may claim that it was perhaps only by a chance that it did go against us—we should in the ordinary discharge of our duty have to restore that grant, and I will add, Sir, that I do not think there is anybody here who resents our having done so. (Mr. Jamnadas Dwarkadas: "No, no. We do resent.") But, there was a second case in which the grant was restored. I argued it before; I am not going to argue it again. But I wish to quote the actual words used by Captain Sassoon in supporting the proposed transfer from Revenue to Capital. Remember again, when you hear them, that it was the Finance Member who was unaccommodating because he could not see his way to yield on this point.

This is the argument on which the proposal was based:

"We find no other at any rate easy suggestion put forward to replace that money. We are therefore trying to cut our coats according to our cloth and, although I agree it is to a certain extent juggling"

So, Sir, it was put forward with the admission that it confessedly was juggling and the Finance Member was unaccommodating because he refused to juggle. I commend Captain Sassoon to put forward an argument of that nature at a meeting of one of his companies in Bombay.

I suggest to him that, if at any time he should be in the position of having to raise further money and, in order to show a good return should be under the necessity of putting his affairs in as favourable a light as possible to the public, I commend to him to suggest to the shareholders that they should indulge in the operation of juggling in order to make their accounts look better. I will only give him one other piece of advice. He said that, if this were the attitude we were to take up on behalf of Government, he was doing little good here and he might as well return to his constituents. I have no desire to see him return to his constituents, Sir, because I think that, if he stays here, he will learn something which will be valuable to him in after life, if it is only a proper reticence in debate.

When those were the alternatives, namely, when it has not been really suggesting to us that there is any better tax, when it has been put to us that we might get square by making further retrenchments which we knew to be impossible, or by changing the form of our accounts, we have felt that we are indeed left with this one sole resource; and, if we have felt that, I do not think that anybody can accuse us of wilfully flouting public opinion or wilfully offending a deeply felt sentiment. We knew and recognised that sentiment. But, we were faced with a necessity for which we saw no other solution and a necessity, Sir, for which at this moment frankly I and those with me see no other solution now. Believe me, if we still hold to our position, it is not because we do not recognise the difficulties of our opponents; it is not because we are unmindful or careless of the depth of sentiment on the subject of the salt tax, or of the 20 years' history behind it. We recognise that it will require courage on the part of Members of this House to support that tax, and yet, although it is with an uneasy heart—for I myself would have been too glad to have avoided fresh taxation and more than glad to have avoided this particular item of taxation, yet though my heart is uneasy on the subject, I can with some confidence still put this solution forward. The one thing that we want now is a courageous and a consistent attempt to get into a position where we can at last see daylight. If it requires courage on your part, believe me you are not alone in that. It has required on our part also courage, for we know that we run the risk of incurring much criticism, much misinterpretation, and even discontent. My last word to the Assembly is this—that if you can take your courage in both hands now, if you can get into a position where you can at length see daylight, then you are at the beginning of a new state of things; you will have reached something like stability, and financial stability is the basis of your future progress. But as long as your condition of instability lasts, you will still year after year have to face recurring trouble, not only financial but political. It is only by facing the situation now that you can put the finances of India into a condition when India itself can, with something like a serene outlook on the future, set to work to readjust its relations with the Provinces, to provide Ministers, who are the chief agents of reform in the Provinces, with means to make their position real, it is only then that you can look with anything like a clear and serene vision on the future.

Mr. President: Amendment moved to clause 2, sub-section (1):

"For the words 'two rupees and eight' substitute the words 'one rupee and four'."

The question I have to put is that amendment be made.

The Assembly divided:

AYES—59.

Abdul Majid, Sheikh.	Lalshmi Narayan Lal, Mr.
Abdul Quadir, Maulvi.	Lalthe, Mr. A. B.
Abdul Rahman, Munshi.	Man Singh, Bhai.
Abdulla, Mr. S. M.	Misra, Mr. B. N.
Abul Kasem, Maulvi.	Mudaliar, Mr. S.
Ahmed, Mr. K.	Mukherjee, Mr. J. N.
Ahmed Baksh, Mr.	Nabi Hadi, Mr. S. M.
Ahsan Khan, Mr. M.	Nag, Mr. G. C.
Asjad-ul-lah, Maulvi Miyan.	Nand Lal, Dr.
Ayyangar, Mr. M. G. M.	Neogy, Mr. K. C.
Ayyar, Mr. T. V. Seshagiri.	Ramji, Mr. Manmohandas.
Bagde, Mr. K. G.	Rangachariar, Mr. T.
Barodawalla, Mr. S. K.	Reddi, Mr. M. K.
Basu, Mr. J. N.	Samarth, Mr. N. M.
Bhargava, Pandit J. L.	Sarfaraz Hussain Khan, Mr.
Chaudhuri, Mr. J.	Sarvadhikary, Sir Deva Prasad.
Das, Babu B. S.	Sassoon, Capt. E. V.
Faiyaz Khan, Mr. M.	Schamnad, Mr. Mahmood.
Ginwala, Mr. P. P.	Shahani, Mr. S. C.
Gour, Dr. H. S.	Singh, Babu B. P.
Hussanally, Mr. W. M.	Sinha, Babu Ambica Prasad.
Ibrahim Ali Khan, Col. Nawab Mohd.	Sinha, Babu L. P.
Ikramullah, Khan, Raja Mohd.	Sinha, Beohar Raghubir.
Iswar Saran, Munshi.	Sohan Lal, Mr. Bakshi.
Jafri, Mr. S. H. K.	Srinivasa Rao, Mr. P. V.
Jamall, Mr. A. O.	Subrahmanayam, Mr. C. S.
Jamnadas Dwarkadas, Mr.	Venkatapatiraju, Mr. B.
Jatkar, Mr. B. H. R.	Vishindas, Mr. H.
Joshi, Mr. N. M.	Webb, Sir Montagu.
Kamat, Mr. B. S.	

NOES—44.

Abdur Rahim Khan, Mr.	Hindley, Mr. C. D. M.
Achariyar, Rao Bahadur P. T.	Holme, Mr. H. E.
Srinivasa.	Hullah, Mr. J.
Aiyar, Mr. A. V. V.	Innes, the Honourable Mr. C.
Akram Hussain, Prince A. M. M.	Jejeebhoy, Sir Jamsetjee.
Allen, Mr. B. C.	Ley, Mr. A. H.
Amjad Ali, Maulvi.	Lindsay, Mr. Darcy.
Barua, Mr. D. C.	Mitter, Mr. K. N.
Blackett, Sir Basil.	Moir, Mr. T. E.
Bradley-Birt, Mr. F. B.	Moncrieff Smith, Sir Henry.
Bray, Mr. Denys.	Muhammad Hussain, Mr. T.
Bridge, Mr. G.	Muhammad Ismail, Mr. S.
Burdon, Mr. E.	Percival, Mr. P. E.
Cabell, Mr. W. H. L.	Rhodes, Sir, Campbell.
Chatterjee, Mr. A. C.	Sains, Mr. H. A.
Clark, Mr. G. S.	Shahab-ud-Din, Chaudhri.
Cotelingam, Mr. J. P.	Singh, Mr. S. N.
Crookshank, Sir Sydney.	Sinha, Babu Adit Prasad.
Dalal, Sardar B. A.	Spence, Mr. R. A.
Faridoonji, Mr. R.	Townsend, Mr. C. A. H.
Gidney, Lieut. Col. H. A. J.	Ujagar Singh, Baba Bedi.
Haigh, Mr. P. B.	Willson, Mr. W. S. J.
Hailey, the Honourable Sir Malcolm.	

The motion was adopted.

Mr. President: I had better call upon Dr. Gour to move the proposal he has put on the paper in the form of a new clause which ought to be added as sub-clause (3) of clause 2.

Dr. H. S. Gour: Sir, I wish to move the following amendment

Mr. Harchandrai Vishindas (Sind: Non-Muhammadan Rural): Might I suggest to the Chair that the number of the amendment should be stated.

Mr. President: It is amendment No. 47, slightly redrafted.

Dr. H. S. Gour: It is No. 47, redrafted for me by the Legislative Department. It reads as follows: It will be sub-clause (2):

"Notwithstanding anything contained in the Provisional Collection of Taxes Act, 1918, the duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden shall for the period beginning on the first day of March, 1923, and ending on the day preceding the commencement of this Act be deemed for all the purposes of the Indian Salt Act, 1882, to have been imposed by rule made under section 7 of that Act at the rate of Rs. 2-8-0 per maund of 82 and 2/7th lbs. avoirdupois."

Now the real point of this amendment, as Honourable Members will see, is this. The Government of India ordered the levy of the enhanced duty on salt from the 1st of March of this year. And consequently they will have realised between 25 and 30 lakhs of rupees between the 1st of March and the date on which the new Finance Bill comes into operation. And the question, therefore, is whether the Government of India should, on the passing of our amendments, refund the money which they have received on the basis of the enhanced salt duty. If Honourable Members will consider for a moment from whom this duty has been realised and who will ultimately profit by it, they will have no difficulty whatever in supporting my amendment. The enhanced duty was realised by the middleman, the contractor. He immediately passed it on to the other subordinate sellers and ultimately to the consumer. It has been distributed, therefore, all over the country. If this refund is to be made, it cannot go back to the payers of the enhanced duty. It will go to the middleman who has already profited by the enhanced duty and has passed it on to other people. I think, therefore, it is just and fair that the State should not lose and the middleman should not gain what would be an unearned return and I therefore submit that, while coming to the aid of the State, we are also looking to what is intrinsic justice. And I, therefore, Sir, move that my amendment should be accepted by the House. I move it.

The motion was adopted.

Mr. President: The question is that clause 2, as amended, stand part of the Bill.

Sir Montagu Webb: Sir, the effect of the Resolution to keep the salt tax at Rs. 1-4 will deprive Government of the anticipated revenue which they expected to derive from that source. I therefore take this opportunity, of inviting the Honourable the Finance Member's attention once again to the scope for further taxation which is afforded to him by a replacement of the import duty on silver. I had on the agenda paper a motion for the reimposition of this old tax, but the Honourable the Finance Member referred to this briefly as unacceptable to Government. But I would seriously ask Government to reconsider this matter because, in my opinion, Government are simply throwing away quite unnecessarily at least a crore and a half of rupees a year. Now, this tax of four annas on silver which was on silver for several years, and yielded Government very substantial revenues, was removed not under any pressure from this House, not under any pressure from the public, but was taken off in response to what I can only call the theoretical disquisitions of the Babinington Smith Committee that it was undesirable to tax the precious

[Sir Montagu Webb.]

metals. Now, Sir, silver coming into this country is imported by the public mainly for the arts.

Dr. H. S. Gour: Sir, I rise to a point of order. I ask you, Sir, whether, in view of your ruling given yesterday that it was not open to any Honourable Member to propose a new form of taxation, the Honourable Member is in order in proposing a new form of taxation.

Mr. President: As far as I am aware, he is not proposing and could not propose a new form of taxation under this clause or any other.

Sir Montagu Webb: What I mean, Sir, to suggest for the consideration of the Treasury Benches is the re-imposition by them of this tax. Silver is imported into this country by private persons solely for ornaments. It is a luxury import pure and simple,—and I see no reason whatever,—no sound economic reason whatever, why this tax should not be relevied. The only objection, Sir, that has been made on this occasion comes from the Bombay bullion merchants themselves; in other words, from the traders who deal in silver. Just as the man who deals in boots naturally objects to a tax on boots, so the trader who deals in silver naturally objects to a tax on silver. Now, the Honourable the Finance Member said that at any rate this tax without a rebate on export was unacceptable to him, because it would interfere with trade in silver. I am a merchant myself. I know perfectly well that cotton goods are imported into this country, that they pay substantial duties, and are re-exported in the ordinary course of trade. I import sugar into this country, Sir, which pays a very substantial duty and is exported again in the ordinary course of trade and I see no reason whatever why silver should not come into this country and pay its four annas duty and be exported when the market suited in the ordinary course of trade with or without a rebate. Why, Sir, in the course of the last few days, the price of silver has risen over three pence per ounce. That is, in the last few days, the variations in the sterling price have been almost as much as this proposed duty. The duty was paid before without any difficulty. No body objected to it. Government got their crores. If unfortunately they had not removed their tax, I think they would have received Rs. 2 or 3 crores a year on the average in revenue to this day. I therefore appeal to the Treasury Benches and to the Finance Member to reconsider the probable revenue which could be derived from a re-imposition of this 4 annas tax.

Mr. Manmohandas Ramji (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, I rise to oppose this suggestion. Sir Montagu Webb says, "Here is an opportunity for Government to fill up their treasury with a crore or more of rupees" and he suggests that silver is an article of luxury. We have traded on this question since the last two years. It was put forward by Mr. Spence in the first year of this Assembly's existence.

Mr. J. P. Cotelingam (Nominated: Indian Christians): Mr. Price.

Mr. Manmohandas Ramji: By Mr. Price from Karachi and it was thrown out. Now, the Honourable Member from Karachi moved a similar motion last year and that was also negatived. He has made himself bold to make that suggestion again this year. I wonder, Sir, why Karachi is so very persistent in putting this question before this House so persistently. If Karachi thought that there was something in it, I think Bombay and

Calcutta would have thought of it much earlier and they would have come forward. Sir, it is not with the idea of finding sources of revenue to Government to the extent of Rs. 1 crore. There must be something behind it and the question is whether it is going to affect, or tamper with, our exchange policy. Perhaps the latter must be the reason for it. If that is so, I think this House will take into consideration the fact that we should not so easily tamper with an important question like this, affecting the whole policy of this country in the matter of exchange, by a vote here or there. It is a policy which, if accepted, will act to the detriment of this country. Now, Sir, Sir Montagu Webb said that though we are putting duty on piece goods and other articles it is refunded all the same. But he forgets that the duty is refunded only when it can be traced positively to the consignment, as it was when it was imported. If the Customs authorities are satisfied that on a particular parcel or on a particular package duty has been paid, it is refunded. Here, in the case of silver, its identity cannot be traced when it is re-exported. We have lots of silver here lying, which has not paid duty for importation, and if we begin to give a bounty, on export, the question arises on which consignment will this bounty be given. Shall we give a bounty on all the hoards that we have, by sending them to some other country? Who will be benefited by that? I think the argument is totally fallacious. Then, Sir, last year Sir Malcolm Hailey had explored all the arguments that were advanced in favour of this duty and I do not propose to repeat them just now. I am convinced that the attitude taken up last year by the Finance Department and the Members of this House is in itself a guarantee that this suggestion will not be accepted.

Clause 2, as amended, was added to the Bill.

Sir Campbell Rhodes: I beg to move amendment No. 31:

"That for sub-clause (2) of clause 3 the following shall be substituted:

'(2) In Schedule III to the same Act item 3 shall be omitted.'

This is in effect to do away with the export hide duty. It has been an unfortunate experience in fiscal reform for which the commercial community are equally responsible with the Government of India. In the unanimous report of the Fiscal Commission it was dealt with in paragraphs 190 and 191:

"This first experiment of the Government of India in protection followed, in our view, a wrong method."

"If the tanning industry requires protection this should be given by an import and not by an export duty."

And again at 191:

"The depression in hides caused by the export duty added to the natural world depression in price has resulted in many cases in making it unprofitable to collect the inferior hides. We have received evidence that the hides are frequently allowed to rot on the carcasses and that in consequence of low prices which have undoubtedly been accentuated by the export duty a source of wealth in the aggregate not inconsiderable has naturally been destroyed."

At the meeting of the Associated Chambers of Commerce, Sir, in January last, there was a very animated debate on this subject which ended in the following Resolution being passed by a majority of six Chambers to three:

"That in the opinion of this Association the export duty on hides and skins should be immediately removed on the grounds that, first, it has proved useless for the purpose for which it was imposed: second, it is economically unsound: and third, it has caused undeserved loss and suffering to all concerned and particularly to those working in a small way in the villages throughout India."

[Sir Campbell Rhodes.]

(*Rao Bahadur T. Rangachariar*: "May I have the names of the three Chambers who dissented?") It does not give the names. Speaking from recollection, one was Madras. (*Rao Bahadur T. Rangachariar*: "Madras, Bombay and United Provinces?") I am not sure. Now, Sir, turning to the figures of actual experience to bear out the remarks contained in the Fiscal Commission's report and in the Resolution I have just read out, in 1900 to 1914 the average exports of hides from Calcutta was 90 lakhs per annum; in 1921-22, it was only 45 lakhs. You have therefore, Sir, a value which I roughly estimate at 2½ crores either tanned locally or, as the Fiscal Commission's report says, rotting on the fields. Now, we know that though the local tanning industry has increased, it has not increased to anything like that extent. Speaking to hide exports in Calcutta I was told that on the first immediately after this reduction was made there was a revival in trade; and taking up last week's *Capital* I find the market report says that there are eager buyers and a good demand and that hides are now coming down from up-country stations which owing to their distance and the high railway rates were unable to dispose of their hides previously.

Chaudhri Shahab-ud-Din: I rise to a point of order. The reference in the amendment proposed appears to be to the Tariff Act of 1894 as only in that Act is there a Schedule III; but item 3 of that Schedule relates to rice and not to skins or hides. (A Voice: "That has been amended.")

Mr. President: Sir Campbell Rhodes is perfectly in order. He has moved the omission of item 3 in Schedule III to the Indian Tariff Act. Item 3 is—"Raw hides and skins *ad valorem* 15 per cent., etc." What is the Honourable Member's point?

Chaudhri Shahab-ud-Din: Sir, my point is that in item 3 of Schedule III to the Indian Tariff Act rice is mentioned.

Mr. President: You have the wrong Act.

Sir Campbell Rhodes: Sir, I was just finishing and all that the Honourable Member has done is to spoil the effect of my peroration. What I wish to point out is—I do not want to over-state my case—that owing to world conditions which have been aggravated by this duty, there is an enormous wealth in India being actually destroyed, as was pointed out in the Fiscal Commission. That wealth, I estimate, for Bengal and the surrounding districts only, at two crores of rupees. We have there a loss of wealth, which is probably the case elsewhere in India, as large as the provincial contributions and certainly larger than the salt tax. In the Fiscal Committee's Report we denounced practically all forms of export duty. We pointed out how the country loses in its competition with the world by imposing such duties, and it is in order to benefit, not the hide merchants, not the local tanners, but the people of the country that I move my amendment.

Mr. President: Amendment moved:

"For sub-clause (2) of clause 3 the following shall be substituted:

"(2) In Schedule III to the same Act item 3 shall be omitted."

Rao Bahadur T. Rangachariar: Sir, I beg most emphatically to oppose this motion of my Honourable friend, Sir Campbell Rhodes. Sir, this was the one duty which was avowedly imposed by the Government of India to protect an indigenous industry in this country. All other duties were imposed for the purpose of revenue,—this was the first duty which was imposed on the ground of protection. Sir, the tanning industry in South

India, in the Madras Presidency, in the Bombay Presidency, in the United Provinces, it was for the protection of the tanning industry in these provinces that this duty was imposed. Sir, as the Fiscal Commission themselves recognized, of which my Honourable friend, Sir Campbell Rhodes, was a most distinguished Member—my only regret is that no Member from Madras representing this industry sat on that Commission (*Mr. Jamnadas Dwarkadas*: “Mr. Seshagiri Ayyar was there.” *Rao Bahadur T. Rangachariar*: “But he does not represent the tanning industry.”) I am sorry also that Sir Logie Watson happens to be absent from this Assembly to-day—this duty was welcomed on all hands; in fact public opinion was behind it unanimously; the Chambers of Commerce, including the Bengal Chamber of Commerce, supported the imposition of this duty at the time it was imposed in 1919. Sir, it was rather unfortunate that the time chosen was inopportune. As the Fiscal Commission themselves recognized in paragraph 190 referred to by my Honourable friend, they say, ‘we are aware that the experiment was introduced at a most unfavourable moment, and that the export duty was not the main cause of the depression that has overtaken the export trade.’ They say that their objection to it is based upon principle. Sir, we cannot sacrifice what we have already done merely on the ground of principle. My complaint is that this experiment has not been tried sufficiently long. Sir, no experiment can be pronounced a failure or a success unless you give it a fair trial. You have not given this experiment a fair trial; that is the point which I ask the House to remember in this connection. In an earlier part of the Report I think the Fiscal Commission recognize that a period of 20 to 30 years is necessary in order to find out really whether any proposed duty will act to the betterment or detriment of an existing industry. Sir, three years, and three years, most inopportune years, is too soon to judge of the result of this experiment on which the Government of India embarked. Sir, the depression in the hides and skins trade is—I will not say entirely—is mostly due to the condition in Central Europe. Sir, Germany and Austria were our main customers. We know how those countries have failed. The depression in the trade is not due to the export duty at all. You may remove the export duty as much as you like, but I do not think that the depression is going to improve. The condition will remain there so long as our customers are unable to buy. That is the real secret of the depression in the hides and skins trade. Sir, this is not the first time that Bengal is attempting to remove (*Mr. J. Chaudhri*: “No, no.”)—I am thankful to my Honourable friend, Mr. Chaudhri,—I mean this is not the first time that the representative of the Bengal Chamber of Commerce tries to remove this duty. His predecessor in office tried to do it in 1921. I mean Sir Frank Carter, and he failed miserably. I hope, Sir, the same result will await my Honourable friend’s motion. It is true he said he invoked the authoritative pronouncement of the Fiscal Commission, of which my Honourable friend, as I have already said, was a distinguished member, and how far he contributed to the result is rather difficult to estimate. Sir, I have here in my hands a telegram showing that the Madras Chamber of Commerce, the Southern India Chamber of Commerce and the Hides and Skins Merchants’ Association—and I lay emphasis on this—the *Hides and Skins Merchants’ Association*, strongly protest against the reduction of export duty on raw hides and skins, and at a joint meeting held on the 5th of March, it was unanimously resolved to suggest that no rebate be allowed. That is again another point on which I have got a separate motion about the proviso contained in that clause; so that, Sir, they object to any reduction, and, therefore,

[Rao Bahadur T. Rangachariar.]

they object much more to the removal of this from the schedule altogether which my Honourable friend aims at. Sir Logie Watson, Sir, told this Assembly in 1921 how for 25 years as a man in the trade he had been agitating for the imposition of this duty, but the Government of India only accepted it in times of war, because they were forced to do it on account of war conditions, because Germany took all our raw hides and converted them into boots. Sir, he pointed out most forcibly that whereas these countries which he enumerated were willing to take all our raw products without any duty, they imposed a heavy duty on manufactured articles. "They do not want our manufactured articles. What they want from us is our raw material." Sir, we are playing into the hands of such countries which are wanting our raw products but do not want our manufactured articles. Sir, he suggested that "it would have done a great deal of help if conditions had been normal, and it would accomplish a good deal more if Government will take into consideration what I have urged upon them many years ago, namely, to make the duty into Germany, France, Italy, etc., commensurate with the duty which they impose upon our manufactured articles." Sir, if the Government of India had done that, this duty might have helped us, helped the trade considerably. The Honourable Mr. Innes speaking on behalf of the Government on that occasion also pointed out that it was not right to judge of the effects of this export duty by the abnormal conditions which prevailed, and those abnormal conditions have not ceased to exist as men in the trade will tell us. It is not necessary that they should be in the particular trade. Everywhere we hear cries that on account of the exchange and on account of other difficulties trade suffers enormously and we know it to our detriment, as our revenue returns show. In fact, the Honourable Mr. Innes in meeting the argument which has just been advanced by my Honourable friend, Sir Campbell Rhodes, said this: "The export duty is accused of being the cause of all the troubles under which the trade is labouring." Now, Sir, in this particular case nobody is able to say, or indeed has said, that our export duty is the cause of the stagnation of the hides and skins trade. If that was so in 1921, that opinion is also endorsed by the passage which I have read from paragraph 190 of the Fiscal Commission's report. Therefore, Sir, I submit that the tanning industry is a very important industry in South India and also in other provinces, I do not know what other Members from Bombay and the United Provinces have got to say about this. I know this, Sir, that, when this duty was put on in 1919, it was welcomed with both hands and with all heart, and, if this duty is removed or reduced, the news will be received with great pain in my province. In fact I am going to oppose the original motion of Government for reducing this duty. But of this, Sir, there can be no doubt that we should reject this motion of Sir Campbell Rhodes.

The Honourable Mr. C. A. Innes: Sir, I think I am correct in saying that the real battle over this hides and skins duty will come on when the motion is made to restore the duty to its original figure. All I will say, therefore, with regard to Sir Campbell Rhodes' amendment is this. The Government, having regard to the present financial situation, have gone as far as they think it right to go to relieve what they know to be a very real burden on a very important export trade. That being so, Sir, I am afraid I must oppose Sir Campbell Rhodes' amendment.

The motion was negatived.

Khan Bahadur Sarfaraz Hussain Khan (Tirhut Division: Muhammadan): Sir, the motion that I have to move is:

"That in clause 3 (2) for the figure and words '5 per cent.' substitute the figures and words '12 per cent.'."

I do not understand, Sir, why the duty on this has been proposed to be reduced from 15 to 5 per cent. In the statement which I have got of the Sea-borne Trade it appears that in 1920-21 the total export was 104 tons; in 1921-22 the total export was 133 tons; so that exports fell by only 31 tons last year. Whereas, export to Germany in 1920-21 was *nil*, in 1921-22 it rose to 18 tons, and we are not aware whether it has risen this year or not. So, in the circumstances, I do not see any justification for reducing the duty from 15 to 5 per cent. Further, I say that the market which was totally upset for the last few years on account of the war is now gradually and slowly settling down, and thus it may well be expected that exports will probably increase in the coming year. Thus I do not see any justification, as I have said, for reducing the tax from 15 to 5 per cent.; but, simply with a view to test the reduction, I propose that it should be reduced from 15 to 12 per cent. and not to 5 per cent. I move the amendment.

The motion was negatived.

Rao Bahadur T. Rangachariar: Sir, I beg to move the last portion of my amendment No. 30, that in Schedule III to the said Act in the fourth column of item 3, Raw Hides and Skins, the proviso shall be omitted.

This export duty was fixed by the Act of 1919, and at the same time a proviso was added so as to give, to use short language, Imperial Preference. The proviso, as Honourable Members will remember, runs as follows:

"Provided that, subject to such conditions as the Governor General in Council may by notification in the Gazette of India prescribe, a rebate shall be granted to the exporter of two-thirds of the duty levied on hides or skins exported to any part of His Majesty's Dominions or of the territories of any Indian Prince or Chief under the suzerainty of His Majesty or of any territories under the protection of His Majesty or in respect of which a mandate of the League of Nations is exercised by the Government of any part of His Majesty's dominions."

This has been carefully examined by the Fiscal Commission and in paragraph 198 of their Report they say this:

"It follows from the general principles which we have stated above that we are opposed to the use of preferential tariff for the purpose of granting The existing duty contains a preferential provision. The duty is at the rate of 15 per cent. *ad valorem* with a rebate on hides and skins within the Empire. We have no hesitation in condemning this provision."

The Honourable Mr. C. A. Innes: May I rise to a point of order, Sir? I understand the Honourable Member is discussing clause 3 (2) of the Indian Finance Bill. Clause 3 (2) makes a proposal that for the whole of the entry in the fourth column of the Schedule the words "five per cent." shall be substituted. That is to say, the amendment before the House abolishes this preference altogether. The Honourable Member is now proposing that the preference should be dropped. I wish to explain that in our amendment we do drop it.

Mr. President: In that case the Honourable Member from Madras and the Chair have fallen into the same error in assuming that the amendment was only to change the 15 per cent. to 5 per cent.

The Honourable Mr. C. A. Innes: It states explicitly that 5 per cent. be substituted.

Rao Bahadur T. Rangachariar: The proviso will be there all the same.

The Honourable Mr. C. A. Innes: No, Sir.

Rao Bahadur T. Rangachariar: If the Chair rules it is already comprised—if that is the intention, then I need not proceed.

The Honourable Mr. C. A. Innes: That is the intention. That is how the draft was drawn in accordance with our instructions to the Legislative Department.

Rao Bahadur T. Rangachariar: The language is not happy. The proviso will be there still.

Mr. President: The Honourable Member may make quite certain of excluding it by a negative vote now.

Rao Bahadur T. Rangachariar: Then I need not argue it out.

Mr. President: What has the Legislative Secretary to say?

Sir Henry Moncrieff Smith (Secretary, Legislative Department): I am asking for a copy of the Tariff Act.

Mr. President. I am just putting the question now.

The Honourable Mr. C. A. Innes: I should explain that if the House is going to restore the 15 per cent. then I do not think that the proviso ought to be omitted, because I do not think the House should vote on a question of this kind on a side issue. Our instructions clearly were that for the whole of this entry in column 4, simply 5 per cent. should be substituted. There should be no preference of any sort.

Rao Bahadur T. Rangachariar: Then I do not think there is any language here to show. You do not remove the proviso unfortunately.

Sir Henry Moncrieff Smith: The proviso is part of the entry in column 4. If the Bill removes the whole entry in column 4 and substitutes something else for it, the proviso has necessarily gone.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President: The question is that Clause 3 stand part of the Bill.

Rao Bahadur T. Rangachariar: Sir, I beg to oppose this motion. Sir, as I have stated already, it is too soon to interfere with this duty. It was introduced with a deliberate purpose; it has not been given a fair trial and, I do not see, Sir, why the Government, when they are going to await the constitution of the Tariff Board in order to carry out the recommendations of the Fiscal Commission, are in a hurry to carry out this recommendation. I fail to see it. The matter may well be allowed to remain as it is. I hope, Sir, that normal conditions will return in a year or two, in which case it will be of great advantage to the tanning industry if we retain this export duty at 15 per cent. In fact, but for the tanning industry in this country, during war time I am sure the Government would have been put to considerable strain. This industry came to the help of Government, in fact placed the whole of their materials at the disposal of Government and they were able to use the industry very largely in carrying

on the war. So it will not do to allow this industry to die out. On the other hand I appeal to the Government to use every effort in their power to put this industry on a proper basis. I do think, Sir, that the supposed loss in other parts of the country is fanciful. I do not think there is really any demand for hides and skins from the rest of the world. That is the real cause of the depression in the trade. When the time comes it will be very difficult to re-impose this duty. Let the Statute remain as it is now, and let us try it for another year or two and then see really whether it has had any noxious effect on the trade. Then it may be time enough to remove it. I therefore appeal to Government not to press this motion.

Sir Montagu Webb : Sir, I support the motion now before the House. Mr. Rangachariar has expressed a hope that the 15 per cent. duty will remain on as a form of protection to the Madras tanning industry. Well, Sir, the Indian Fiscal Commission has carefully considered this very point; the Fiscal Commission has made a report in favour of discriminating protection be it remembered. Now, let us hear what it says about this duty :

" We hold, therefore, that so far as the export duty on hides and skins is intended to be *protective*, it cannot be justified." (Paragraph 193).

I think, Sir, that disposes of the subject.

The Honourable Mr. C. A. Innes : Sir, this morning the House determined to do justice to the poor man. This afternoon I hope that they will do justice to a poor trade. Let me remind the House of the history of this unfortunate export duty. It is one of the worst mistakes that the Government of India ever made. At the end of 1919 at the height of the post-war boom, when neither the Government of India nor the trade were in a condition, I think, of real sanity, the Government of India arrived at the conclusion that they were in a position to dictate the form in which their raw materials, these raw hides, should leave the country. Consequently they put on this extremely heavy export duty, an export duty of 15 per cent. *ad valorem*; and they put it on raw hides and skins with two objects: one of their objects was, as Mr. Rangachariar has rightly said, to encourage the tanning industry in India, and the other object was to try to retain within the Empire a key industry. That was the reason why this proviso to which Mr. Rangachariar has just drawn attention was inserted in the Schedule—the proviso which allows a rebate of 2/3rds. of the duty on all hides and skins exported from India provided that they are tanned within the Empire. Now, Sir, these are the two objects with which the Government of India imposed this duty. And I say without fear of contradiction that both those two objects have not been attained. We have not by this very questionable means of an export duty succeeded in encouraging the tanning industry in India or other leather industries, nor have we succeeded in keeping this key industry in the Empire. On the contrary, as before the war, so now, England has almost dropped now from the market in regard to raw hides. We discovered our mistake not very long ago when we imposed this duty. As I said, we imposed this export duty when the trade was at the top of the boom. Hardly had the ink dried on our notification before the slump began. Since then until very recently there has been a progressive decline in trade. I do not for a moment say that it was the mere fact that we had put on this export duty that ruined

[Mr. C. A. Innes.]

the trade. Mr. Rangachariar is correct there; the trade was ruined not by the export duty, but by a general worldwide slump and by the inability of Germany and other countries which used to buy hides to purchase our hides. I admit that fully. But you have got to remember that you have got here one of the most important export lines which is in the position of the greatest possible depression. They are having the greatest possible difficulty in selling their hides, in getting any export demand for their hides, and the Government of India by their own action have placed them in greater difficulties by imposing this 15 per cent. export duty upon these hides and skins. An export duty is always a dangerous thing. I have heard it described as an economic horror, because you can never be sure where the incidence of that duty is going to fall. If you have a monopoly you pass that duty on to the foreign consumer; if you have not got a monopoly, your purchaser has to pay the world's price and he has to bear the brunt of your own export duty; that is to say your tax recoils upon your own men. Now we have long known that this tax was a failure having regard to the object with which it was imposed. We are now keeping it on purely for revenue purposes. Now, I want to know, is it right that the general tax-payer should benefit at the expense of our traders in hides and skins? Is it right that when this hides and skins trade is in this depressed condition we should continue to place upon it an export duty of 15 per cent? It is the heaviest export duty we have, a heavier duty than on tea, a flourishing industry at the moment, a heavier duty than on rice—another flourishing industry and very much heavier than the export duty on jute. It is the hides and skins trade that we have selected for the heaviest of all export duties. That is the reason why the Government at last decided, whatever their financial condition may be, that the time has come when in justice to this trade they must reduce this duty.

Mr. Rangachariar said that we must keep on this duty because we must protect the Madras tanning industry. Now, Sir, I come from Madras. I used to take a very great interest in that industry, in fact I used to run a school for the benefit of that industry. But, Sir, though I come from Madras, I protest most strongly against sectional interests like the interests of Madras and Cawnpore in a House like this, a House which is representative of all India, being allowed to override the general interests of the country. Sir, what is the Madras tanning industry? I do not wish to decry it, but is it an industry which makes things which are used in this country? No. The Madras tanned hide is merely a half-tanned hide. It is a very useful industry in that it employs a certain number of tanners, but the product is exported, just like the raw hides are exported, to England. It is not an industry which produces anything for use in India. And if you want protection for industries of that kind, take protection by all means after you go to your Tariff Board, but protect them by means of an import duty, do not go protecting them by means of an export duty of this kind. Mr. Rangachariar says we have done nothing in the way of protecting these tanning industries. We have. I do not say that we did it intentionally, but Mr. Rangachariar knows, as well as I do, that the import duty on leather goods since this export tax was put on has been raised from 7½ per cent. to 15 per cent. The leather industries are not only behind a tariff wall of 15 per cent. but they are getting the benefit of this export duty of 15 per cent. I do not think I need set out to prove how much this hides trade has suffered. As I

have said, the mere fact of the export duty being put on has not been the cause why the trade is in such depression. It is due to other causes but the fact that the depression exists is beyond all argument. In 1911-12, in 1912-13, in 1913-14, the average export of raw hides in India was over 50,000 tons a year. In 1920-21 they had dropped to 18,000 tons; in 1921-22 they rose slightly to 25,000 tons. Now, that brings me to another point. Here we see signs of a revival of trade. It is just when the trade is beginning to revive that your export duty becomes most burdensome because it is just this additional burden, where the demand is beginning to arise, it is just this additional burden of the 15 per cent. that turns the scale against India. I deal with another point—not a point raised by Mr Rangachariar but a point raised by Sir Gordon Fraser. Sir Gordon Fraser is one of our leading tanners in Madras. Therefore, like Mr Rangachariar, he is interested in the maintenance of this unfortunate duty. Sir Gordon Fraser said that we have a monopoly of these light hides that the world must buy from India because they cannot get them anywhere else. (Mr. Rangachariar: "Especially of buffaloes.") That is not correct. India has not got the monopoly of these light hides. You get these light hides from other places, particularly China. And that is one of the mistakes we made when we thought in 1919 that we were in a position to dictate the form in which our material should leave India. Now, there is one other point I wish to make and I hope the House will agree with me that it is absolutely decisive. As I say, we have here a sick trade. And, as I say, we have a trade that is just beginning to show some slight signs of recovery. Now, it is not merely a question of the 15 per cent. We have also to take into account the various valuations. As the House knows, I think, we don't fix the prices of each consignment when it leaves the country. We base our valuation on the prices usually of the previous year. They are fixed in December; they usually remain in force for the following year. Now, Sir, when the trade in 1921 was slumping away, those valuations were reduced and when they were fixed in December 1921 the prices were still low. In 1922, there was some recovery in prices and in December, this last December, when the question of revising the tariff valuation of hides came up, I was faced with the problem whether I should raise the tariff valuations to their appropriate figure although at that particular moment I had actually circulated a file to the Government of India proposing either the reduction or the removal of the duty or whether I should temporarily extend the existing valuations. Well, I temporarily extended the existing valuations. I may have been wrong in doing so. At any rate, I took the responsibility on myself of doing it,—the reason being, as I have said, that the trade was just showing signs of reviving, and, if we were about to reduce the duty, I did not think it right that we should stop the revival by suddenly raising the valuations. Now, Sir, if the House puts this duty back to 15 per cent. I must warn the House that I must raise the valuations. The Government of India in the Commerce Department cannot evade the duty, imposed by the Legislature, by allowing artificially low valuations, and therefore, whatever happens, whether this duty goes back to 15 per cent., or whether the House accepts my proposal and keeps it at 5 per cent., these valuations must be raised after giving the usual notice to the trade. If the House accepts Mr. Rangachariar's motion and puts this duty back at 15 per cent. then I can only assure the House that we shall deal one more staggering blow at this wretched trade. If you accept my motion to reduce this duty to 5 per cent. you lose very little revenue, because the tariff valuations, as I say,

[Mr. C. A. Innes.]

must go up. In fact, you may lose no revenue at all. The mere fact that we are going to reduce this duty to 5 per cent., has already induced a briskness in trade. Let me read from a Cawnpore letter in this week's Indian Trade Journal:

"News about the reduction of the export duty on hides has had a very salutary effect upon the market and has led to increase of business."

Sir, if you accept my proposal, you lose very little revenue, but on the other hand, you will encourage a revival, and in fact you might get more revenue than you expect. If the House on the other hand is led away by Mr. Rangachariar from Madras, if the House is led away by these Madras interests, to keep the duty at 15 per cent., then let the House take the responsibility. I have warned them. I say that we shall be doing one more injustice to a very hard hit trade. Remember Burma too. In Burma the effect of this export duty has been—I say it with sorrow—very disastrous indeed. All efforts to encourage tanning in Burma have failed, the trade has been gravely injured. Let me end on the note with which I began. The House this morning did justice, as they thought, to the poor man. Let me appeal to the House again to do justice to a poor trade.

Mr. Harchandrai Vishindas: Sir, I might inform the Honourable Member for Commerce and Industry that he need not entertain any serious apprehension that the House is going to follow Mr. Rangachariar. I come from a province in which there are a number of Muhammadan traders in hides and skins,—and here, with apologies to Mr. Shahab-ud-Din who, I was informed,—I myself being then absent—had sounded a certain note that Hindu Members of the House had no sympathy with the Muhammadan traders of hides and skins, I as a Hindu want to assure my Muhammadan brethren that we do not observe any sectarian distinction in this regard but want to do justice to people to whom justice is due. Now, these hide traders have suffered considerably since the imposition of this higher export duty and wherever this hide trade is in existence, I think the Honourable Member for Commerce and Industry must have received complaints from there that these traders have been ruined. In my part of the country those men who were rolling in lakhs have now become heavily indebted. Not only that. I expected the Honourable Mr. Innes to lay the greatest stress upon one point—greater than he has actually done. My own impression has been—of course I am speaking on this point without any expert knowledge, but subject to correction from the Government Benches—that as a matter of fact, even from the point of view which we had at the time when we imposed this heavier duty, it has not been a success: in other words, that it has not produced the income which we expected it to bring. Is that so?

The Honourable Mr. C. A. Innes: Yes.

Mr. Harchandrai Vishindas: If that is so, then we are defeating the very object we have in view. On all sides, in all directions, we are going on wrong lines. We are acting very foolishly. You do not get the revenue for which you impose taxes; your trade is ruined; your traders have become considerably indebted. And I think the only effect of continuing this heavy export duty will be that one or two tanners in the Madras Presidency will be benefited. I think that it is a most inequitable procedure altogether. To ruin numbers of traders and producers for the

benefit of one or two institutions is most unjust and inequitable. What is more, Mr. Rangachariar tells us that it is for the benefit of the uplift of this industry that this tax should be maintained at a figure of 15 per cent. Can he point out to us what uplift this industry has received since the imposition of this higher duty? I think absolutely none, and after the Honourable Mr. Innes has pointed out to us the various drawbacks of this higher duty, the various injuries and disadvantages, I think the House will be consulting the best interests of the country by refusing the suggestion of Mr. Rangachariar and supporting the proposal of Government.

Chaudhri Shahab-ud-Din: While I thank whole-heartedly the liberal-minded Honourable Mr. Harchandrai Vishindas and other Hindu gentlemen who have opposed the vicious amendment of the Honourable Mr. Rangachariar, the head of the Hindu orthodox community here in this House, I venture to give one or two more reasons why this tax should be reduced and the Government proposal accepted by this House. (*Cries of "We are all agreed."*) I am very thankful to all of you who are now agreeable. (*A Voice: "Sit down."*) Let me finish my sentence. In 1921 when Mr. Price, the then Karachi Member of the Assembly, moved the removal of this export duty, I put it to the House that it should be altogether removed. The Government was neutral and it was left practically to the elected Members of the Assembly to decide whether they would continue the tax or not. (*A Voice: "Government opposed it."*) No. Government did not oppose. But unfortunately for me and for the community to which I belong, we were in a minority and therefore lost. This time I am thankful to Government and also to the liberal-minded Hindu Members of this Assembly who have supported the Government. The fact of the matter is, if salt is a necessary of life, mutton also is a necessary of life for Mussalmans. They take mutton day and night, though orthodox Brahmins and many other Hindus do not touch it. It is common knowledge that the higher the price of skin the lower the price of mutton. If the skin sells at a higher price the price of mutton goes down. Therefore, even on grounds other than those advanced by the Honourable Mr. Innes it is reasonable that the duty should be lowered if not altogether removed.

Rao Bahadur T. Rangachariar: I have nothing to do either with the Hindu or the Muhammadan question. The Southern India Skin and Hide Merchants Association is composed entirely of Muhammadans and they support me. The Southern India Chamber of Commerce is mostly composed of Muhammadans. I have nothing to do with hides or mutton. My constituency demands this measure.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

Mr. Harchandrai Vishindas: What about my amendment to clause 3, Sir? My amendment is No. 28.

Mr. President: I called upon the Honourable Member but as there was no response I went on to the amendment of Mr. Rangachariar.

Clauses 5 and 6 were added to the Bill.

Mr. S. C. Shahani (Sind Jagirdars and Zamindars: Landholders): I rise to a point of order. My amendment was with regard to clause 3A, a new clause, and may I know why my amendment has not been allowed?

Mr. President: The amendment of the Cotton Duties Act is outside the scope of the Bill.

Mr. Harchandrai Vishindas: I have also to rise to a point of order. I should like to know if it is the Chair that calls upon the proposers in whose name the amendments stand, or have they to get up of their own accord.

Mr. President: The Honourable Member must rise to protect his own interests. But I did actually call the Honourable Member.

Mr. Harchandrai Vishindas: No, Sir, if you will excuse me. You said "Clause 3 stands part of the Bill", and I then got up and said I had a proviso to move. That was the only time I could get up.

Mr. President: After we had disposed of Dr. Gour's amendment to clause 2, the proviso relating to a provision for the collection of taxes, I called the name of Mr. Harchandrai Vishindas because his amendment followed. He was not then in the House and I assumed he had gone away.

Dr. Nand Lal: The Chair has been pleased to direct that a gentleman who is the author of an amendment should rise. I rose 20 times and could not catch the President's eye.

Mr. Harchandrai Vishindas: I authorized Dr. Nand Lal to move for me. But I thought it had not been reached.

Mr. S. J. Shahani: I rise to a point of order. I have not understood why my amendment was disallowed. Excise is included under Customs and under this head an excise duty of $3\frac{1}{2}$ per cent. is provided. I have proposed a reduction in this excise duty and my respectful submission therefore is that I should be allowed to move this amendment.

Mr. President: The Honourable Member is proposing to amend the Cotton Duties Act of 1896. The amendment of that Act is not in order. That first amendment that is in order now is amendment No. 58 standing in the name of Sir Montagu Webb where he proposes to reduce the rate of import duty on saccharine from Rs. 20 to Rs. 5.

Sir Montagu Webb: Sir, I beg to move:

"That in Schedule I in proposed amendment No. 7, for the word and figures 'rupees 20', wherever they occur, the word and figure 'rupees 5' be substituted."

I move this amendment, Sir, in response to a request which I have received by telegram from the Karachi Chamber of Commerce. The Karachi Chamber wired to me that the imposition of 20 rupees per pound import duty on saccharine represents over 400 per cent. of the market value. The full new duty cannot be recovered from the ultimate consumer and will probably kill the trade in this commodity involving heavy losses under existing contracts. That, Sir, explains itself. I need add to that that if Government are unable to accept my amendment then I would draw the attention of Government to the fact that existing contracts ought certainly to be exempted as in previous cases. I beg to move the amendment in my name.

Mr. President: Amendment moved:

"In Schedule I in proposed amendment No. 7, for the word and figures 'rupees 20', wherever they occur, the word and figure 'rupees 5' be substituted."

The Honourable Mr. C. A. Innes: Sir, when I explain this matter to the House, I do not think that they will accept Sir Montagu Webb's amendment. The fact of the matter is that saccharine is ordinarily 550 times as sweet as sugar. The present price of saccharine is about Rs. 3-12 a pound, and at present it bears the same rate of duty as sugar, namely, 25 per cent. The result is that you get in a pound of saccharine on payment of a customs duty of about 15 annas. That pound of saccharine is equivalent in sweetening power to 550 lbs. of sugar, and the result of course is perfectly obvious. It is not peculiar to India; every other country almost in the world, most countries in the world, have had to adopt special prohibitive import duties on saccharine in order to protect their sugar revenue. We have already had signs of its coming into India; the imports of saccharine in the last three years have been rising very much indeed, and therefore we have had to adopt this method of imposing a very heavy duty on saccharine in order to equalize the duty on saccharine to the duty on sugar and to protect our sugar revenue. We hope that in this way we shall save at least 19 lakhs in our revenue, and that being so, I hope the House will agree that we must do this. France has a prohibitive duty, England has a duty of 576 times the duty on sugar. This being so, I hope the House will not accept this amendment.

Mr. President. The question is that that amendment be made.

The motion was negatived.

Sir Campbell Rhodes: Sir, my amendment is No. 68:

"In Schedule I to the Bill omit amendments Nos. 10 and 11 and re-number the subsequent amendments accordingly."

My Honourable friend, Mr. Rangachariar, and I made our attacks on the Honourable the Commerce Member single-handedly, with no result, and I hope we shall be more fortunate if we attack in company. This question of tea boxes and tea lead is a most interesting study in fiscal problems. It is evidence of an industry started under the protection of revenue duties or rather the haphazard protection produced by the war. There is here, Sir, a conflict of interest, and on this subject, this book to which frequent reference has been made, the Fiscal Report says: "In all such cases the most essential reform is that the utmost publicity should be given to the inquiry of the Tariff Board, so that all interests concerned may have a full opportunity of representing their point of view." It is thought in Calcutta that the action of Government has been influenced by direct pressure from a certain quarter in Calcutta.

The Honourable Mr. C. A. Innes: I should like to contradict that statement at once, Sir. I should like to explain that this proposal was first put up in 1920 and was turned down by myself because the tea industry in that year was in a very bad state.

Sir Campbell Rhodes: I am very glad, Sir, to have that disclaimer. It is of course one which I accept and which the House I know will accept, and it will remove the wrong impression which has been formed in

[Sir Campbell Rhodes.]

Calcutta. On this question of fixing correct valuations for different purposes, a distinguished free trade journalist said recently in Calcutta, and in criticism of the Fiscal Report, that he would rather a hundred times have a revenue tariff formed in honest ignorance by Government officials—the words are his, and not mine—than a scientific tariff drawn up by a number of men who knew all about it. Well, Sir, that journalist takes one view, the Fiscal Commission and the tea trade take another. I should just like to state the problem as it would be put before the Tariff Board; and in this connection during our debate on the Finance Bill both the Honourable Sir Basil Blackett and the Honourable Mr. Innes have told us under different circumstances to wait for the decision of the Tariff Board. That is what I wish Government to do in this case before making this important alteration. Well, Sir, on the one side we have this new tea box making industry in India fulfilling many of the requirements laid down in the Fiscal Commission's report, raw material and home market. So far from being protected at the moment, the protection is rather the other way. Tea boxes are made of three ply wood in which expensive glue or cement is used. If it comes in the form of a tea box, it comes in at 2½ per cent. If it comes in the form of cement for local industry, then it comes in at 15 per cent. We have, therefore, an industry which might well look for protection from the new tariff board. But take the other side of the question. The tea industry claims that this is their raw material and doubtless the Commerce Member will tell me that packing material does not usually come in free or at a nominal rate. I must point out that packing material in the case of tea is a very large item on the production of the finished article. We have also, Sir, in the case of the tea industry an export duty put on in 1916 and condemned by the Fiscal Commission. The tea industry is being constantly chased both by the Honourable the Finance Member and the Honourable the Commerce Member. The Commerce Member has put on the export duty. The Finance Member has made the discovery that tea is not an agricultural industry, because it has to undergo certain processes before being packed. He has also discovered that the tea planter occupies a bungalow. There is, therefore, a case to be put before the tariff board, and I do not think the case can be adequately discussed in this House or decided by a stroke of the pen by the Government of India. The decision of the tariff board, if I may anticipate it, would probably be that this duty would be justified if the tea industry were not handicapped by export duty. But, I submit to the House that it is not fair to leave off all the handicaps and then put on this protective tariff.

Mr. George Bridge (Assam: European): Sir, I rise to support the amendment moved by my Honourable friend, Sir Campbell Rhodes. It would seem on a point of administration it is proposed by Government to raise the import tax on tea boxes and tea lead from 2½ to 15 per cent., or seven times the former tax. This means making the tea industry pay some lakhs of rupees more. Sir, the tea industry is just emerging from the waves of depression which overtook it in 1920, when tea was selling in open market for less than the price of the boxes it was packed in. Just as the planter is raising his head above these waves of depression there comes another wave of taxation to overwhelm him. It may be said to have had a prosperous year, but it will only allow many gardens to put back to their reserve what they had to take out in 1920. I would point out to the Honourable Assembly that there are also other taxes on tea which Government in its solicitude for the industry has imposed on it. What about the

export tax on tea which was put on as a war tax? The export tax is undoubtedly a dangerous tax, as the Member for Commerce said in referring to the export tax on petrol. Therefore I say that the export duty on tea is a dangerous duty and it interferes with our trade. The Honourable the Commerce Member would not put an export duty on jute or on petrol and the reasons that he adduced for this have double force in the matter of tea. The reason why the Honourable the Finance Member would not put an export tax on petrol applies equally, if not with greater force, to tea which has to compete in the open markets of the world against Java, Sumatra, China and Ceylon. It is well known that petrol throughout the world is marketed by the closest possible trust methods and there is actually no competition in its sales. Again, we have a new tax put on this year. After aeons of time the Government has discovered that we are three-fourths agricultural and one-fourth manufacturing. By this conjuring tricks we have now to pay another new tax on tea. The British Government last year took off some of the tax on tea considering the wants of the poor who universally drink it, but the Government of India though professing their desire to reduce the consumption of liquor, opium, *ganja*, overtax the only article which may lead to their disuse. Every tax put on by Government increases the price to the consumer. Tea has been making good strides in India, but I am afraid the high price it is fetching now partly due to the high taxation will put it out of the reach of the poor to buy.

(At this stage Sir Jamsetjee Jejeebhoy, the Deputy President, took the Chair.)

As India is taking more tea yearly, it is greatly to the benefit of this country that they should take tea instead of *ganja*, opium and liquor. If more tea was drunk in India the people would be healthier. Seeing that 'Planter' has converted the jungle of Assam into smiling Edens where the only snake in the grass was the non-co-operation movement which has been scotched and driven to its hole, where we hope a firm Government will keep it, seeing the planter has helped Government by importing thousands of coolies who ultimately become Government raiyats and pay Government rent, seeing that without the labour imported at the cost of the planter Assam was decreasing in population, we must ask the Government not to put a higher tax on our boxes and tea lead, as these are just as essential as machinery which pays 2½ per cent. I would, therefore, ask Government not to press for this increase, but to encourage the cup that cheers but does not inebriate. I would therefore ask the House to vote for Sir Campbell Rhodes' amendment.

Rao Bahadur T. Rangachariar: I wish to give my support to this motion. It appears to me that this is an indigenous industry, though in the hands of Europeans, and I think we ought to do everything for it. We should treat this as part of machinery. When the trade grows, we could go after them in the shape of income-tax and super-tax. I think about 50 lakhs are spent in importing these tea chests, and they are imported mainly from Great Britain. If we had a local industry to produce these tea chests, then I would be the first to enhance the duty. But as we have not got

6 P.M. the necessary raw material for making the tea chests in this country, I do think, Sir, it will work as a hardship on this industry if this duty is enhanced.

The Honourable Mr. O. A. Innes: Sir, I do not wish to take up Mr. Rangachariar in what he just said, because I do not admit that in any way we have raised this duty on tea chests and tea lead for protective purposes. But Mr. Rangachariar was wrong—there are firms making these chests in Calcutta and naturally if we raise this duty as I have proposed these firms which are making these things in the country will be assisted. But this is the point I want to make. It is not for that reason that we propose this increase in the duty on tea chests and tea lead. Let me explain the whole matter. For the last three years, as the House can imagine we have been searching through our tariff schedules with a microscope in order to try and find items on which we can legitimately raise the duty; and we have as the House knows raised the duty on practically every item. Now in 1920, when the tariff schedule was coming under this usual examination, the proposal was put up to me, as I have said, that we should no longer allow this special concession to the tea industry, that its tea boxes and tea lead should come in at a special concession rate. But we decided that as the tea industry at that time was in an extremely depressed state the time was not opportune for raising the duty. Now, this year, as the House knows, I felt compelled to make various proposals to the Finance Department which involved a loss of revenue, and I was called upon to try and make up in any legitimate way I could the revenue which we were sacrificing. And so again we resuscitated this proposal regarding tea chests and tea lead. I do admit that there would have been enormous force in what Sir Campbell Rhodes said, had there been any question of a protective duty; had I been proposing a protective duty on tea chests and tea lead for the benefit of an Industry in India, had I been proposing that without awaiting the careful investigation of the Tariff Board, I should have been in an absolutely indefensible position, but I am not doing anything of that sort. What are the facts? What is the duty upon tea chests and tea lead? A special concession rate of 2½ per cent

Rao Bahadur T. Rangachariar: You want to raise it to 15 per cent.

The Honourable Mr. O. A. Innes: We are merely raising it to the general *ad valorem* rate. Ordinary lead coming into the country pays 15 per cent.; the position now is that if it comes in for the purpose of being made up into tea chests, it pays only 2½ per cent.; similarly ordinary wood coming into the country pays 15 per cent.; but if you bring three-ply wood because it is for tea chests it comes in under the 2½ per cent. item. I admit that the tea industry does suffer from the disability of the export duty, but the question before the House is whether in these days of financial stringency there is any reason why we should continue to allow tea chests and tea lead to come in at a special concession rate of 2½ per cent. or whether they should come in at the ordinary rate of 15 per cent. That is the whole question before the House.

Mr. Darcy Lindsay: There is one important point, Sir, that I would like to put to the House, that these tea chests are brought into the country only for the purpose of export; the tea is filled into the chests and the chests leave the country again. I therefore ask the House, is it fair to impose so heavy an import duty as 15 per cent?

The amendment* was negatived.

Sir Montagu Webb: Sir, I beg to move:

"That in Schedule I in proposed amendment No. 16 (Item No. 87) after the words 'conveyances including' the words 'motor cars of fifteen-horse power or less' be substituted."

The object of this amendment, Sir, is to make a distinction between motor cars of high power and motor cars of low power. At present all motor cars pay an import duty of 30 per cent. *ad valorem*. If my amendment be accepted by Government and by this House, then motor cars of less than 15-horse power would come in on the 15 per cent. scale duty. I daresay this House is well aware that it has been a great grievance and source of complaint from the motor car industry that motor cars that are now used for business purposes and are an important part of the machinery of trade and commerce should be taxed so heavily as 30 per cent. The problem also has another aspect. Nearly all the cars of over 15-horse power are of foreign manufacture, whereas British manufacturers give particular attention to cars of less than 15-horse power. The effect of the present taxation is to give a direct encouragement to foreign cars and to correspondingly check the importations of British cars. I do not think, Sir, that that was the intention of the Legislature when the present duty was introduced. In making this proposal, I do so with confidence and in the belief that with the difference in the duty there will probably be no difference in the amount of revenue collected by Government. I think probably the chief American cars can afford to bear a few rupees more duty, and I expect the British cars will be able better to compete by the aid of the difference in duty.

I recognise that the introduction of the expression 'Horse power' may perhaps present a technical difficulty to Government, and I suggest therefore for the consideration of Government, if there be any trouble in accepting 15-horse power, that some of the formulae that are in use in other parts of the world may perhaps be adopted. I notice that in Calcutta the Municipal Corporation have introduced a formula based upon the area which the wheel base of a car covers. In France the classification is by the combined cubic contents of the combustion chambers of the cylinders. The British Government determine the horse power by a well known formula: Horse power equals $4 \times 2 D \times N$ where D is the diameter of each cylinder, and N the number of the cylinders. I mention this in case the expression 'horse power' presents any technical difficulty. I confidently commend this amendment to the acceptance of the House.

The Honourable Mr. C. A. Innes: Sir, if Sir Montagu Webb wishes to make any proposal for Imperial preference, I suggest that he should make an open proposal and not try to introduce it in this way. As I understand his amendment, it is an amendment to get into India the low power English car, cheaper than the high power Canadian or American car. It is very much better, Sir, I think that we should discuss this question of motor cars on Mr. Spence's proposal which is a proposal to deal with motor cars as a whole. The advantage of our present rate of tariff duty is that it is 30 per cent. *ad valorem*, and therefore the cheaper the car the less the duty you pay. I have got one other objection to Sir Montagu Webb's proposal to tax motor cars on horse power and so on. I will just read an extract from the "Autocar" of the 16th February:

"Nothing is more arbitrary than the present method of determining horse power. A 15-horse power Italian car drops to 10-horse power when it reaches France and climbs to 13.9-horse power when it lands on British territory."

[Mr. C. A. Innes.]

Similarly, the American method of calculating the horse power is, I believe, different from the English method. I say, Sir, that this proposal is not sound. Moreover, I do not believe that it would fulfil the objects which some people have in view, namely, of bringing in the cheap car, cheaper than the dearer or luxury car. But if we are to deal with motor cars properly we must deal with the question on Mr. Spence's amendment.

The amendment was negatived.

Mr. R. A. Spence: Sir, I think we have already

Rao Bahadur T. Rangachariar: Sir, I think it would be better if you would call out the number of the amendment because there are so many amendments.

Mr. Deputy President: It is No. 82.

Mr. R. A. Spence: Sir, I think we have already had a good deal of discussion in this Assembly as to whether a motor car is a luxury or not, and I think we must be very nearly as united on the point that a motor car is not a luxury as we were on the point that salt is a necessity of life. But it is a fact, Sir, that motor cars are not imported into this country for purposes of serving as luxuries. We do not go for joy rides in this country. We use our motor cars for means of getting about the country. The cases of people who go for joy rides in this country are very few and far between. A motor car is used in this country as a help to one's business, as a help to those living on estates in the country. Think, Sir, of the people who live on estates in the Madras Presidency, for instance, in Travancore and Mysore. Think of the tremendous distances that they have to cover. Do you think, Sir, that these people buy motor cars merely for the sake of luxury? No, they are an absolute necessity to them. Sir Montagu Webb had, I think, in his previous amendment really not the idea of introducing a preferential tariff by the back door, but by meeting the views of some of those who say "Oh, look at the Rolls Royce Car, that is a luxury," and therefore, he proposed that a car of small horse power only should be exempt, but as the Honourable the Commerce Member has pointed out to us the difficulties there are in regard to differentiating cars on horse power, I think that we may disregard the few cars that come into this country which might be called luxuries. The Honourable the Commerce Member will probably be able to tell us how many Rolls Royce cars came into India last year. I know the Rolls Royce Manager in Bombay told me that business is very bad. But, Sir, that is my argument. I do not want to detain the House this evening. Motor cars are necessities, and therefore I do ask this House to support me in my amendment asking that necessities should not be classified and charged as luxuries. There are other speakers here, Sir, who can carry on this argument better than I can but I do not believe that the reduction in the duty will cost Government as much as it looks on paper. With these words, Sir, I move my amendment which runs as follows:

"In Schedule I to the Bill, after amendment No. 16 insert the following amendment:

'16A. After item 87, the following item shall be inserted, namely:

'87A. Motor cars, motor cycles, motor scooters, bicycles and tricycles and articles adapted for use as parts and accessories thereof: provided that such articles as are ordinarily also used for purposes other than as parts and accessories of motor vehicles included in this item or in No. 87 or of bicycles or tricycles shall be dutiable at the rate of duty specified for such articles'."

Rao Bahadur T. Rangachariar: But what does your amendment mean?

Mr. W. S. J. Willson (Bengal: European): Sir, I beg to support the amendment of Mr. Spence. I touched lightly on the subject in the general debate on the budget and I don't think it is one that requires dealing with at any length. It appears to me to be so perfectly obvious. There is one point I would like to have touched upon and that is the enormous lack of employment that has been caused by the heavy handicap to the motor industry, and I don't think, Sir, that any long speech is necessary in any way to support this amendment which speaks for itself.

(At this stage Mr. President resumed his seat.)

The Honourable Mr. O. A. Innes: Sir, I feel that it is rather an ungrateful task to be getting up time after time to defend high import duties upon what I recognise to be important trades. I don't do it with any liking for the task, I can assure the House. But deliberately, two years ago, in view of our financial needs, we raised the duty on motor cars from 7½ to 20 per cent. Again, last year, we had to raise it for the same reason to 30 per cent. We did it quite deliberately and we did it solely for the reason that we might get as much revenue as we could out of the imports of this article. I don't think that anybody says that motor cars are a luxury. Some motor cars of course are a luxury. It depends on the type of cars you have. Other motor cars, of course, are very necessary for the purposes of trade, commerce, transport, etc., but the whole theory of the tax is that a man who can afford to keep a motor car can afford to pay a heavy tax upon that car. After all, the House must remember that we have been driven in the last two years to great expedients to get revenue. Why, even to-day, the Government came forward with this proposal for the salt tax. Now, as I have explained, we have no desire at all to injure this trade. All we are out for is to get revenue and, if we could see that by reducing the tax on motor cars from 30 per cent. to 15 per cent., or 20 per cent., if we could see that by such a reduction of the tax we should so stimulate the trade as to get more revenue, we should not hesitate to do so. The whole reason why we are putting this tax on the trade is the need for revenue. Now, we have examined this question not once but a dozen times from that point of view, from the point of view whether by reducing the tax we should get more revenue, and we are unable to get a satisfactory answer to that question. We are unable to see that a reduction in the tax would stimulate the import of motor cars and would thereby give us more revenue. What is the reason why the import trade in motor cars is not more flourishing at present? Mr. Spence, Sir Montagu Webb, Mr. Willson, will no doubt say that it is due to this heavy rate of import duty. But I don't think that is correct. I have the figures here. The real reason why the motor trade is in a stagnant condition now is that during the two years 1919-20 and 1920-21, there were enormous imports of motor cars into India. The average imports before that time had been somewhere between three and four thousand cars a year. In these two years, there were imported into India over 25,000 cars, far more cars than were necessary to replace the short imports of the previous years and it is these heavy stocks of cars which have been hanging over the import trade. Is Mr. Spence sure that he has got the whole of the trade behind him in this demand for a reduction of the import tax?

Mr. R. A. Spence: I have the Motor Trade Association behind me.

The Honourable Mr. C. A. Innes: My information is that there are many firms which have still got large stocks of cars and that these firms are by no means anxious to see the rate of duty reduced. However, that is my information and Mr. Spence, I may admit, has the authority which must attach to the Motor Trade Association. What I say to the House is this, that the reason why the trade is stagnant at present is, as far as we can see, the very large imports in 1920 and 1921 and the stocks which still hang over the trade owing to these imports. That view is confirmed by the well known fact that it is very difficult in India now to sell a second-hand car. A further reason why the trade is stagnant is the general fact that trade in India is not very prosperous at present and people have not got money to spend on motor cars. That, Sir, is our reading of the situation. I can assure Mr. Spence and everybody else in this House that the operation of this rate of duty—a heavy rate of duty, I admit it to be—is being carefully watched and that as soon as we are satisfied that a reduction in the rate of duty will give us an increase in revenue, we shall not hesitate to reduce the rate. At present we have got no assurance to that effect.

Mr. President: The question is that that amendment be inserted.

The motion was negatived.

Mr. President: The question is that Schedule I stand part of the Bill.

Mr. R. A. Spence: I do not know whether I can move my other amendment. It is such a very small one. I mean No. 88.* It has got the merit of not affecting the revenue of the Government of India. That is one of the greatest merits about it.

Mr. President: So far as I can see, the Honourable Member could discuss it on the Schedule though it is beyond the scope of the Schedule as drawn up.

The question is that Schedule I stand part of the Bill.

Mr. R. A. Spence: Sir, might I draw the attention of the Honourable the Commerce Member to one small matter? For years, Sir, at least until quite recently, prints which were imported into this country for binding in books published in this country were imported free of charge. At the present time, according to the Act, you can bring into this country maps for inserting in books printed in this country free of charge. You can bring into this country covers for those books free of charge. But for some reason, prints cannot be brought into this country free but have got to pay 80 per cent. duty. The prints I am especially interested in are what might be called scientific prints. They are coloured illustrations brought in for the Journal of the Bombay Natural History Society, a Society, Sir, which Government has supported in the past. Perhaps, if the Honourable Member could by some executive action allow those

* " In Schedule I to the Bill after amendment No. 21 insert the following amendment :

' 21A. To item 137 the following shall be added, namely :—' excepting prints included in item 24 '."

prints which are certified as intended for publication in Scientific Journals to be imported free, it would serve my purpose. I may point out that if I wished to swindle—a thing which I don't wish to do—I believe I could do it by binding all these prints up together in a book and then bringing them into this country as a book, in which case I could get them in free. But that, of course, is a thing that I should not dream of doing and I hope Government will save me from the temptation to do it.

Sir Montagu Webb : May I draw the attention of the Government to the fact that the present import tariff contains no item for Wireless Telegraph Apparatus. Wireless telegraphy is, after all, in the process of development and I submit that it is highly desirable in the general interests that every encouragement should be given to the public to experiment further and develop this new and most amazing invention. I tabled an amendment suggesting that such wireless telegraph apparatus might be allowed to be imported under a certificate from the Director-General of Posts and Telegraphs, at the low rate of $2\frac{1}{2}$ per cent. duty, in that way protecting the revenue as far as was necessary. I think that if Government could give consideration to this fact it might assist the development of this most important industry.

The Honourable Mr. C. A. Innes : The wireless telegraphy question is under separate consideration and the Director-General of Posts and Telegraphs is dealing with that subject. As regards Mr. Spence's proposal, of course, we have considered a similar proposal though it was not the particular proposal which Mr. Spence has made. The trouble is that his proposal raises rather an important question of principle. One of the fundamental principles of our customs administration and of tariff is that we do not take into account in assessing an article the use to which it is intended to be put. That is the trouble which Mr. Spence's proposal involves. However, it will be considered.

Schedule I was added to the Bill.

• Dr. Nand Lal : May I ask the Honourable Member in charge whether there has been some increase in the revenue on account of making the weight $2\frac{1}{2}$ tolas? My moving the first part of the amendment No. 93 rests on the reply given.

The Honourable Mr. B. N. Sarma (Revenue and Agriculture Member): There has been an increase of about Rs. 60 lakhs under Stamps generally.

Dr. Nand Lal : Then I do not move (i). I move clause (ii):

"In Schedule II to the Bill:

Under the heading 'Postcards', for the existing entries substitute the following:

'Single	...	...	Quarter of an anna.
Reply	...	...	Half an anna.'

My submission before the House is that my information is that the Postal Department has not gained much on account of dropping the old system and resorting to the new one, that is, making single post card half an anna instead of quarter an anna, and making the reply post card one anna instead of half an anna. If my information is correct, that there has not

[Dr. Nand Lal.]

been an appreciable increase in the revenue, then I submit that it is not desirable that this rate should be adopted for the year 1923-24. There has been considerable inconvenience to the public on account of this increase which was sanctioned last year. And my submission is that the Government of India will be able to give due consideration to this inconvenience of the public in face of the fact that there has not been much increase in the revenue.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I quite recognize that this late hour is not quite appropriate for discussing the financial policy of the post office. But regard being had to the fact that the Postal Department is handing over to the general exchequer this year the large amount of one crore and forty-seven lakhs of rupees, I do not think I should let this occasion pass without some comments. Sir, the other day we heard Dr. Gour say that the Postal Department was a commercial Department and he wanted his pound of flesh from this Department. Now, the question is, is the Postal Department a revenue-earning Department at all? I will not refer in detail to what the position is in other countries, but I believe it is generally agreed that the Postal Department is regarded all over the world as a public utility department, subject to the condition that if there is any surplus revenue left in the hands of the Postal Department after meeting the requirements of the expansion of postal facilities, that surplus revenue belongs to the general exchequer. I remember to have read a speech of Mr. Gladstone while he was Chancellor of the Exchequer in England in which he expressed his gratification that Parliament had surrendered 1½ million pounds of revenue which the general exchequer used to derive from the post office, and he said that a wiser measure was never adopted.

Mr. President: I am afraid I cannot allow the Honourable Member to take up the general question whether this is a public utility or commercial department. He is entitled to use that incidentally but not as the main part of his argument.

Mr. K. C. Neogy: Sir, connected with the question of the proposed reduction of the rates is the question how far the finances of the Department will be affected by the proposal and how far the Department is justified in handing over to the general exchequer the large surplus of 1.47 crores, without providing cheaper and larger postal facilities. That is how I bring it in. Now, Sir, if Honourable Members will refer to the interesting publication of Mr. Geoffrey Clarke on the history of the Indian Post Office, they will find that when the Postal Commission was appointed in 1850 they based their reforms throughout on the principle that the post office is to be maintained for the benefit of the people of India and not for the purpose of swelling the revenues of India. Mr. Clarke on this observes that:

"It is greatly to the credit of the Government of India that in all times of stress and strain as well as in times of prosperity they have loyally observed this principle although there have been many temptations to go contrary to it."

Now, Sir, if we come to the year 1866 we find that the then Finance Member stated that the Post Office is so potent an engine of civilization that no Government could be justified in allowing fiscal considerations to stand in the way of any improvement. Again we find when we come to the year 1905 when, as a result . . .

Mr. President: The Honourable Member had better come to the year 1923-24.

Mr. K. C. Neogy: I am coming presently to the present year. In 1905 when certain concessions were announced in regard to postal rates, Mr. Gokhale expressed his gratification that this announcement was accompanied by another announcement that the Government did not intend to regard the Post Office as a revenue earning Department at all. And Mr. Gokhale expressed his hope that in future the surplus revenue of the Post Office would be devoted towards the expansion and cheapening of postal facilities more and more. That was in 1905. If we look into the figures of that period, we will find that between 1905-06 and 1909-10 the increase in the number of extra-departmental agents was 15 per cent., but during the next 12 years, that is to say, between 1910-11

Mr. President: Order, order. If I allow the Honourable Member to go on, I shall have to allow the Honourable Member to roam over the whole administration of the Post Office on a post card.

Mr. K. C. Neogy: Sir, I am referring to the fact that the Postal Department has really curtailed their programme of expansion, and I was illustrating this from the figures, because I find that, whereas in five years the expansion in the rural postal facilities was 15 per cent., during the last 12 years that expansion has progressed by only 2·9 per cent., and during the present Budget it is proposed further to curtail that programme, much to the detriment of the rural population in India.

Khan Bahadur Sarfaraz Hussain Khan: Is the gentleman in order? We are dealing with the question of the post card, and at this late hour he is going over the whole administration.

Mr. President: I have been trying to point out to the Honourable Member that he is going so far out of order that I shall soon have to ask him to resume his seat. He is entitled to argue the question on the basis no doubt of a public utility, but only in so far as it affects post cards.

Mr. K. C. Neogy: Sir, it is very difficult to separate the question of the general expansion of postal facilities from

Mr. President: On the contrary it is quite easy, and it has to be done!

Mr. K. C. Neogy: I shall try to be in order now. What I object to is the handing over by the Postal Department of its surplus revenues without looking to the convenience of the public in the matter of cheaper postal facilities. That is the main point which I want to advance before this Honourable House.

There is another point to which I wanted to refer in this connection but I do not know whether I will be in order,—it is as regards the absence of commercial accounts in the Postal Department.

Mr. President: Order, order. The Honourable Member is very ingenious and very persistent; I must rule him out of order.

(Voice: "I move that the question may now be put.")

Mr. President: The question is that the question be put.

The motion was adopted.

Mr. President: Amendment moved:

"In Schedule II, for the existing entries under the heading 'Postcards' substitute the following:

'Single	...	...	...	...	Quarter of an anna.
Reply	...	...	...	...	Half an anna."

The motion was negatived.

Mr. President: The question is that Schedule II stand part of the Bill.

The motion was adopted.

Mr. President: Schedule III.

Mr. M. G. Mukundaraja Ayyangar (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, I gave notice of two* amendments, and the second is an alternative to the first; but since I sent notice of these amendments, I have been informed by a responsible gentleman that the effect of my first amendment would be to reduce income of the Central Government by a very large amount. If that should be the effect of my first amendment, I do not desire that the Government should lose such a huge sum, especially in these days of financial stringency. I would, therefore, with your permission, withdraw the first amendment, and I will move only the second amendment. The object of this second amendment is to remove the great hardship to which the Mutual Benefit Societies and the Fund Offices which are a real boon to the poor in the country are subjected by being asked to pay a flat rate of $1\frac{1}{2}$ annas in the rupee whatever their income. Honourable Members will see that in the case of ordinary individuals, the taxable minimum under the Act is Rs. 2,000, that is, those whose total income is less than Rs. 2,000 are not liable to tax and even in the case of these persons, there is a graded scale of Income-tax ranging from 5 pies to $1\frac{1}{2}$ annas in the rupee of their income. But in the case of these Mutual Benefit Societies and Fund Offices which come under the definition of Companies under the Income-tax Act, 1922, they have to pay at a flat rate of $1\frac{1}{2}$ annas in the rupee even if their income be very much below Rs. 2,000, which, as I said, is the taxable minimum in the case of others. These societies pay at the end of the stipulated period to the shareholders the amount they had paid and the interest on the amount they had paid. But yet these societies and fund offices are taxed under the Act. There are a great number of such societies and fund offices in the Madras Presidency whose annual total income may not be Rs. 2,000 but very much less than that amount. But all these are liable to be taxed at the rate of $1\frac{1}{2}$ annas in the rupee. I do not think it is necessary for me to invite the attention of the House to the fact that this change was introduced for the first time in the Finance Act of 1922. Under the Income Tax Acts of 1917 and 1918, companies as well as individuals were not liable to pay any income-tax upon incomes below the taxable minimum. But in the year 1922 under the Finance Act, the

* "In Part I, A of Schedule III, Rates of Income Tax, after the word 'individual' in the first line, insert the words 'Every Company' and in Part I, B, omit the words 'Every Company, and'."

minimum taxable income in the case of companies was taken away and all companies were made to pay at the flat rate of 1½ annas in the rupee irrespective of their income and the result is that the smaller companies which deserve our sympathy and encouragement are very severely dealt with. The several Local Governments pointed out this anomaly of taxing small companies without reference to their income even before the Income-tax Act was passed. Our Honourable friend, Mr. Moir, as Secretary to the Government of Madras, has, in his letter to the Secretary to the Government of India, No. 322, dated the 12th of December, 1921, stated as follows:

"The clause (referring to clause 17 of the Income-tax Bill) proposes to tax companies and firms on their income even though it does not amount to the taxable minimum as fixed from time to time. The Governor in Council is unable to understand the difficulty which led to the necessity for this amendment, and whatever it is, he is of opinion that some other way should be found of meeting it. To tax a firm whose income is less than the minimum would be going against the main principles of the Act."

Mr. Sim, the then Joint Secretary, Finance Department of the Government of India, said in this House during the discussions on the Income-tax Bill:

"At the same time, there is a certain amount of hardship in connection with some of these societies, owing to the fact that the members of these societies in some cases are not personally liable to Income-tax. Clause 60 of the Bill gives the Government of India power to reduce taxation or to make any concessions they please in favour of any particular class of income. The Government of India are quite prepared to consider the case of these societies when the full facts are placed before them, to consider whether any special concession is required or whether any special arrangements are necessary in order to secure an equitable assessment of Income-tax."

Since then representations have been made and full facts have been placed before the Government of India by very many societies and fund offices of the Madras Presidency and, yet, Sir, nothing has been done in the matter as promised. I, therefore, think, Sir, that there is no use of placing any reliance on the assurances given by the Government in this matter and submit that the amendment I have proposed should be made in the Finance Bill. Sir, I move my amendment.

The Honourable Sir Basil Blackett: Sir, the question of how certain mutual benefit societies should be treated in Madras, and in fact in India, was raised in connection with the Income-Tax Act last year. On behalf of the Government of India Mr. Sim, I think it was, offered during the debate to make arrangements for special treatment of such societies under section 60 of the Act or otherwise by issuing executive instructions. But this proposal was rejected by the Assembly which inserted an explanation under the Act, under which recurring subscriptions paid periodically by shareholders or subscribers of mutual benefit societies as may be prescribed shall be deemed to be capital borrowed. The result of that would be that the interest payable thereon would have been allowed as business expenses. The Income Tax Department, immediately the Act was passed, took steps with a view to taking action under this explanation. But meanwhile one of the leading societies in Madras applied for a reference to the High Court on the question whether the income of such societies is liable to tax at all. Since then, Sir, we have been awaiting a decision on this point from the Madras High Court. We recognise that if the decision is much longer delayed it is necessary that we should attempt to take action and we are prepared to consider whether we can use our powers to issue executive instructions that if a society and its subscribers agree in cases

[Sir Basil Blackett.]

where the income is small, say Rs. 2,000 or less,—we might possibly consider going even above the Rs. 2,000—instead of taxing the society at the maximum rate, we should get a list from the principal officer of the company or society of the amounts paid out to subscribers showing the original subscription and the interest thereon. And the income-tax officer of that locality would go through the list and ascertain from his registers or from his own knowledge of the locality which particular recipients are liable to income-tax. He would then be able to add the amount of interest they had received to the income on which they would otherwise have been assessed and the effect would be that he would assess the individual where he was liable direct instead of assessing the company. I think that, if the decision of the High Court is not received soon, we can meet the difficulty in which the Honourable Member is interested in that way, and I would suggest that, in those circumstances, he should withdraw his amendment.

The motion was negatived.

Dr. Nand Lal: Sir, my amendment runs as follows:

"In Part I, A of Schedule III to the Bill in items Nos. (4) to (7) the following amendments be made:

- (i) Against item No. (4), for the word 'nine' substitute the word 'eight'.
- (ii) Against item No. (5), for the words 'one anna' substitute the words 'ten pies'.
- (iii) Against item No. (6), for the words 'one anna and three pies' substitute the words 'one anna'.
- (iv) Against item No. (7) for the words 'one anna and six pies' substitute the words 'one anna and three pies'.

Sir, the income-tax payers are so hard hit and it is pity that some of us have no sympathy with them. The income-tax payer (*Cries of "Withdraw, withdraw."*) I cannot understand whether these gentlemen who say "withdraw, withdraw" understand their duty or not. It is a pity. If they want to take rest they may please themselves by leaving the House. Well, Sir, I am sitting here to do my duty. These Income-tax payers are, as I submitted above, very hard hit and allow me to say, though perhaps the Government Benches may not like to receive that message, that there is a great amount of discontent in regard to the present excessive rates of income-tax that is being levied. Now, last year, there was an enhancement in the rate of income-tax. Well, there was a general complaint against us and on most occasions, we, the representatives of the people, especially some of the elected Members, were taken to task by our constituents. The reply which we gave to them, with a view to redress their grievances, was "It is perhaps only for one year, and we shall in our humble way try to see that next year there may be some sort of decrease, if possible in the rates." But this year also

The Honourable Sir Malcolm Hailey: Might I ask who gave that undertaking?

Dr. Nand Lal: We, some of the elected Members, gave an oral reply to some of those who asked us on that point, namely, some of us, in that manner gave a moral consolation to our constituents; they will not come to you, Sir, they will send us to you, and that is the guiding principle upon which the whole representation is based. Therefore, Sir, at least we, the elected Members, feel bound to invite the attention of this Assembly to

this real grievance of these honest men who work very hard and, after having worked very hard, they earn money, and they have to give a very big slice of it to the Government.

The second phase of the question is, what measure has been adopted in fixing this rate of income-tax. The measure which seems ostensibly to have been adopted is that for each Rs. 5,000 there will be an increase of one pie. Sir, will you please see item No. 2. There it is given that when the total income is Rs. 2,000 or upwards but is less than Rs. 5,000, the tax is 5 pies in the rupee. Then you will be pleased to see item 3. When the total income is Rs. 5,000 or upwards but is less than Rs. 10,000—6 pies in the rupee. Now, when we compare these two items and the rates at which the income-tax is assessed, we are driven to this conclusion, that for each sum of Rs. 5,000 there will be an additional charge of 1 pie. Now, Sir, will you be pleased to see item 4 where it is given when the total income is Rs. 10,000 and upwards but is less than Rs. 20,000—9 pies in the rupee. Now according to that measure, according to that criterion, this ought to have been 8 pies, because there is an addition of Rs. 10,000. For every additional Rs. 5,000 there will be an addition of 1 pie; so by an arithmetical calculation the result arrived at is that the rate ought to have been 8 pies, not 9 pies. Then, Sir, I may invite your attention to item 5, where it is given, when the total income is not less than Rs. 20,000 and upwards but is less than Rs. 30,000—1 anna in the rupee. Now according to that criterion, according to that measure which was adopted with reference to items 2 and 3, it ought to have been only 10 pies; but we find that the result at which last year this Assembly arrived seems to be wrong. Whether it was right or wrong, we must accept it so far as last year is concerned; but for the next year I am raising this point before this Legislative Assembly that there is a mistake. There should be some fixity of standards.

Mr. R. A. Spence: According to how much a man can afford to pay?

Dr. Nand Lal: Whether you can afford to pay or not is a different question. Now I am discussing the arithmetical error which has been made.

Then, Sir, you will be pleased to see that there is a mistake due to an arithmetical error in item No. 6, and the same mistake has recurred in item No. 7.

Mr. R. A. Spence: No mistake.

Dr. Nand Lal: I submit there is the mistake and this mistake may be removed, and if this House will appreciate this contention of mine, then the rates will be as follows:

So far as item 4 is concerned, the rate will be only 8 pies. Again, so far as item No. 5 goes, the rate will be 10 pies. So far as item No. 6 goes, the rate will be 1 anna; and concerning item No. 7 the rate will be 1 anna 3 pies. The Schedule of last year with reference to these items does not seem to be based on an accurate arithmetical measure and criterion, and this Assembly should like to see that whatever is being passed for the next year, it should be based on accuracy. We have to avoid inaccurate arithmetical calculation. Sometimes bankers and merchants and income-tax payers—I mean assesses generally—laugh at our this arithmetical inaccuracy. Is this House prepared to accept that charge? (*Cries of "No."*)

[Dr. Nand Lal.]

Of course, Sir, I believe that some of you would like to have rest instead of doing duty.

The third point to which I wish to invite the attention of the court, I beg pardon, of the House—we lawyers are used to use that word—is this; there is a great amount of sensation and feeling and the merchant classes are feeling it very deeply. Therefore, I submit that to put an end to that grievance this House will be pleased to, at least, reduce the rates so that they may be relieved of this onerous charge to a certain extent.

Mr. Darcy Lindsay: I move, Sir, that the question be put.

The amendment was negatived.

Schedule III was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir Basil Blackett: Sir, I beg to move that the Bill be passed.

Mr. President: The question is that the Bill be passed.

Mr. W. S. J. Willson: Sir, I am extremely sorry to intrude myself upon the House at this very late hour, but I am in a position of considerable difficulty. When Dr. Gour moved his amendment No. 47, the House had already had a great deal of talk about salt and I think it had had more than enough of it: so it happened that when you read his amendment the House shouted 'Aye' at once and although I rose to address you at the time, I unfortunately failed to catch your eye. Now, Sir, had the amendment, when Dr. Gour moved, the effect which he claimed for it, I should myself have voted for it. But it does not have that effect at all; and the consequences of it are so far-reaching that I do not want to allow this Bill to be passed without lodging my protest. I, Sir, am supposed to be an authority on the salt procedure in Calcutta, and it would be strange indeed if a representative of the trade, here in this House, allowed this to pass without lodging his protest. The position aimed at was, as Dr. Gour's amendment showed, that those who have sold their salt at a rate covering high duty should not get a refund; so far so good; but what happens in effect is this. The salt is landed in the Government bonded

7 P.M.
 golahs in Calcutta. You have to go to the Government and pay your duty day by day. There is such a block of deliveries at the Custom House and the golahs that you do not get delivery of the salt on the day you pay the duty. A merchant finds it necessary to pay some duty every day so that his chalans which are put in at the bottom of the file come gradually to the top. Now, Sir, I have every desire to be brief, so I do not want to go into the details at any great length, but it happened that 12 months ago we had exactly the same position. A firm in Calcutta had actually paid duty at the old rate of Rs. 1-4-0 on the 26th November, yet on the 2nd of March could not get delivery of that same salt. The Government refused to deliver that salt unless the excess was paid. Now in this year's case we have it that since the 1st of March the Government have refused to take any duty under the rate of Rs. 2-8-0, and in order that the merchants may come up to the top chalans, they had to pay Rs. 2-8-0, and we heard to-day on official authority that no less than thirty lakhs of rupees

duty have been paid on that basis. Now, Sir, if we are going to steal half of that duty, I think really it is a robbery of fifteen lakhs of rupees. These chalangans are at the bottom, and they will not come to the top—I cannot tell you at the moment for how long; but it is some weeks, but by that time everybody knows that the salt duty has not been raised and the merchant who has, on the good faith of the Government, deposited his duty at Rs. 2-8-0 will not now be able to get it back. That, Sir, is a position which I cannot accept, and I cannot allow this Bill to pass without lodging protest against it. I do not know what further course is open to me except either to advocate the restoring of the duty to Rs. 2-8-0 so that it may be the same for everybody, or to oppose the passing of this Bill.

Sir Montagu Webb: I understand, Sir, that the motion now before the House is that the Bill, as amended, be passed. The result of the amendment is to leave us where we were before with a deficit, I understand, of 3 crores 68 lakhs of rupees. The efforts to provide alternative taxation in the form of a surtax on customs revenue have failed and I should like to make it known officially that I have received a large number of telegrams both from Bombay and Karachi most strongly protesting against any such increase of Customs Duties. The Honourable the Home Member in his very impressive speech advocating the doubling of the salt tax said that there was no alternative tax. I submit, Sir, that there is at least one alternative tax to which I have already referred, namely, the silver tax. In that connection the Honourable the Finance Member speaking on the subject of rebates remarked that in one year upon which quite casually he had to put his finger, the exports of silver from India were greater than the imports; and that consequently Government in that year instead of collecting money would have lost money. Now, Sir, I have the figures here of the last fifty years, and I cannot find any year except that very one year in which the exports of silver have exceeded the imports. So I think that Government need have no fear that even if they re-impose the silver duty and give a rebate on exports, they are likely to lose money.

Further, Sir, in making his appeal for the doubling of the salt duty, the Honourable the Home Member stated that although we have made our retrenchments, yet we cannot meet our expenditure, and therefore he advocated the imposition of a double salt tax. Now, Sir, I suggest the position is really this. The Inchaape Committee have made certain recommendations for retrenchments amounting to over nineteen crores of rupees. It has been impossible, naturally quite impossible, to bring into effect all those recommendations for this coming year. But we take it that Government are going to endeavour to bring into effect the whole of those retrenchments later on. So that the real position, as I see it, is not that we have made our retrenchments and cannot meet our expenditure, but that we have made as many retrenchments as are practicable during the forthcoming year and that we cannot meet our expenditure during the forthcoming year. But, I presume that the year after, when all these retrenchments are made, we shall be able to meet our expenditure. Therefore, Sir, the difficulty, the crisis, if I may so put it,—which we have now to overcome is this 3-68 crores deficit which has to be covered in some way during this coming year.

Now, Sir, I submit that there is an alternative to further taxation which we have not yet discussed, and which we have not yet considered. There is lying at this moment in London to the credit of the Secretary of State

[Sir Montagu Webb.]

for India over sixty crores of rupees—inoperative and doing nothing. The Honourable the Finance Member towards the end of his budget speech, paragraph 49, proposed to make use of a portion of that Reserve towards covering the deficit. I estimate that portion to be somewhere about a crore of rupees. This sum he proposes to utilise from that Reserve towards covering the deficit. (*The Honourable Sir Basil Blackett*: "The interest only."). Now, why should we limit that appropriation to one crore? By appropriating 3 or 4 crores, say, our temporary difficulty for 1923-24 could be overcome. (*The Honourable Sir Malcolm Hailey*: "Why have any revenue; why not take that?") Now, Sir, that reserve to which I am referring is the Gold Standard Reserve and I would ask your permission and the indulgence of this House to devote three or four minutes to an explanation of what that Gold Standard Reserve is. It was formed, in the first instance—built up of the profits on the coinage of rupees with the object of providing a means of remittance to England in case exchange fell below 1s. 4d. On every rupee that is coined at the present day from new silver, Government makes about 3 pence or 4 pence profit. Originally, it was intended that that profit should be held in India in the form of gold so that when the balance of trade turned against India, the gold could be remitted if necessary to London. Owing to a whole list of incidents and circumstances into which I need not go now, and against many of which I have often protested, the whole of that Reserve has been transferred to London, and it is now kept, *not* in gold but in securities.

The particular point to which I wish to invite attention this evening is the magnitude of that reserve,—over sixty crores of rupees. I believe every authority at this moment is agreed that this reserve is unnecessarily swollen,—unnecessarily big, and that we might very well utilise some portion of it for other purposes. A couple of years ago, the Bengal Chamber of Commerce gave evidence before the Babington Smith Committee in this connection. They said that, in their opinion, if the Reserve was large enough to meet a two years' balance of trade against India, that was all that was necessary. What exactly a two years' adverse balance of trade might be was not defined. It was often thought in pre-war days to be about eight million sterling per annum. Even if it were taken at ten million sterling, that would make the Reserve only twenty million sterling. Well, from the balance of trade point of view—and I am supposed in some quarters to be an authority in these matters—I myself have often urged that thirty million sterling was sufficient. But let me recall to the House for a moment the opinion of the late Sir Lionel Abrahams. Sir Lionel Abrahams was undoubtedly one of the greatest financial authorities that the India Office has ever sheltered. Now, Sir Lionel Abrahams only two years ago expressed the opinion that twenty-five million sterling would be quite sufficient; but he added that it would be better perhaps not to lay down any hard and fast rule at the moment. Now, Sir, note that figure, from the greatest expert—25 million sterling. I am prepared personally to make it 30 million sterling. But suppose even you make it 35 million sterling. There is, I submit, Sir, in that Reserve a considerable surplus of which we might very well take advantage in the present crisis. I should be very surprised indeed to learn from the Honourable the Finance Member that he considered forty million sterling, that is to say, sixty crores, was necessary at the present day in London. I feel convinced that he will—I should be very surprised if he

does not—admit that that is a very substantial reserve, and larger perhaps than there is any necessity for.

Now, Sir, the problem which is before us at this moment is whether or not it is expedient to make use of any portion of the Gold Standard Reserve. We have before us this crisis of a deficit, and the possibility of the Governor General in Council being asked to double the salt tax in face of the opposition of this House. Personally I should regard that as a crisis, a very grave crisis indeed. I fear that it would be treated by the public as a general breakdown of the Reform Scheme. It would be said, "Here is a general, and practically unanimous opinion of the people as far as we can see, against any doubling of the salt-tax and yet, for the third year in succession, we are called upon to vote more taxation, and that too at the last moment, just when the Parliament is dissolving, just when the Members are returning to their constituents asking for re-election,—just when the feelings of hostility against the Government are dying down,—at that very moment, Government ignoring public opinion, doubles the salt tax. I think, Sir, that such a course would be a calamity; and it is for that reason I would urge upon the Government to weigh very carefully the possibility of utilising from the Gold Standard Reserve not merely the one crore which the Honourable the Finance Member himself proposes to take from the Reserve but a further three or four crores, and all our difficulties vanish without any financial mishap, and without any political disaster.

The Honourable Sir Malcolm Hailey: What a pity we retrenched!

Sir Montagu Webb: Well, Sir, I do not think it is a pity. It is a pity we did not retrench two years ago. The more we retrench the better. I put it for the serious consideration of Government that in a grave political crisis of this kind, with this Reserve of money at their disposal which can be utilised,—I suggest they should give this alternative way out of the present difficulty their very serious consideration.

Mr. Jamnadas Dwarkadas: Sir, I have no desire to detain the House at this late hour, but I do believe that while we are at the final stage of the Finance Bill, it is necessary that the constitutional aspect dealt with, with his characteristic skill by the Honourable the Home Member should also be considered by us. The Honourable the Home Member, it must be said to his credit, has not minced matters. He has told us—and there, I think, we are in agreement with him—that we are on the verge of a crisis, that for the last three years in the life of this Assembly, to use the words of the Honourable the Finance Member, we have somehow or other pulled together, that in this very Session we had various controversial questions which came up before the House and that by the efforts, the most laudable efforts, both of the Government as well as of the House, even on those controversial questions we have come to an unanimous conclusion, and it is a pity that on this question of the Finance Bill, there should exist between the Members of the Government and the Members of this House a difference which is not merely in the nature of an ordinary difference, but which is likely to assume the shape of a crisis, threatening to endanger, if I may say so, the bona fides of the Government of India, threatening to embitter more the already embittered feelings of a certain section of the people against the Government. It would be nothing short of a calamity. It would be nothing short of a calamity if the Government in spite of the almost unanimous opinion of the country and the opinion expressed here by a large

[Mr. Jinnadai Dwarkadas.]

majority of the House (*A Voice*: "Not very large") were to get certified the tax which the House has rejected. I want to say in answer to the remarks made by the Honourable the Home Member and other Members that the Government must take it from us when we say that it is not merely for the purpose of getting ourselves re-elected that we have voted against the enhancement of the salt duty. No.

The Honourable Sir Malcolm Hailey: The Honourable Member would do me the credit to say that I did not suggest that.

Mr. Jinnadai Dwarkadas: I did not mean that the Honourable the Home Member suggested that, but it has been suggested by some Members that the reason that has guided many of the Honourable Members of this House to take up the attitude that they have taken against the enhancement of the salt duty is political and sentimental. Now as regards the reason being political, I want at once to say to the Government that I do not think that most of the Members of the House, at any rate, are actuated by the feeling that they would not be returned at the next elections if they voted in favour of the enhancement of the salt duty. The reason is neither altogether sentimental, but it is the conviction of many of us that it is a most unpopular tax, that it is a tax which will embitter the feelings of the poorest people of this country, that it is a tax which will weigh heavily on the shoulders of the poorest people of this country. (*A Voice*: "No") It is that reason, it is that conviction, right or wrong (*A Voice*: "Wrong") which has led many of us to take up the position that we have taken. The Honourable the Home Member spoke on the necessity of having the courage on this question to support the enhancement of the salt duty and avert a difficult situation. Now, Sir, I need hardly give an assurance both to this House and to the Government that there are Members in this Assembly who by their past record can claim that the personal consideration of election or any consideration of that character has never stood in their way of doing their duty even by displeasing a large section of the people by their support of Government when they thought it necessary to do so, and if speaking for myself I had thought that it was necessary to support Government, that it was right to support Government, I would have done so at any cost. I know many Members of this House would have done so at any cost, but I repeat that it is this feeling that we should be doing something wrong, that we should be doing something that is detrimental to the interests of the people of this country,—nay, more than that, it is the feeling that we shall have dis-served the Government itself which asks for our support—it is that feeling that has guided us in coming to the decision that we have come to. What, then, is the Government to do? Two ways are open to the Government. The Government might yield to the wish expressed by this House, or the Governor General may use the extraordinary power vested in him in order to certify the enhancement of the salt duty which the House has rejected. I do not want to mince matters. I want to imitate the good example set by the Honourable the Leader of the House. I do not want to mince matters. I want to tell the Government very frankly that the consequences of certifying this enhanced tax over the heads not only of the Members of this House but against the expressed opinion of the people of this country—that the Government's restoring the tax against the almost unanimous vote of the people of this country will be very grave. In the past before the Reforms came into existence, many a time it fell to the lot

of the Members of this House and public bodies outside this House to warn the Government of the danger of ignoring public opinion in many matters. The Government on most questions paid no heed to public opinion and this obstinate attitude on the part of Government became the parent of many a disaster to this country. I stand here to repeat the warning that has been given in this House and outside this House in the past on many measures; it may be in a small measure, but it seems to me that the situation is similar to what it has been in the past. It is perhaps, more serious, because you are on the eve of undoing the great work that in the first three years of its existence the reformed Legislature has done for this country. I therefore warn the Government, whatever may be the result of the House's attitude, let them stand by the constitution, let them respect the wishes of this House. It might mean temporary injury or it may not. I am not sure that it will. But in the end by respecting the wishes of this Legislature, by carrying out even against its own pet theories the desire expressed by a large majority of this House, the Government, I am sure, will ensure the solid foundation on which the Reforms have been built. I appeal to the Government to lay aside all other considerations. The credit of the Government of this country will not suffer. Sir Montagu Webb has suggested one remedy. I am not prepared to say that I am in agreement with that remedy, but I do feel that many a remedy can be suggested, that further retrenchment, if necessary, may be effected; other steps may be taken; a small deficit may be left uncovered; it is not likely to imperil the credit of this country in the eyes of the world; but the restoration of the salt tax in the teeth of the opposition of the people is going to imperil the credit, the bona fides of this Government in the eyes of the people of this country, a consideration which is more important than any other consideration. Only last year we were on the verge of chaos in this country. This House stood by the Government like one man then. But for the support of this House the Government would not have been able to put down a movement which threatened to bring disaster to this country, which threatened to transform this country into a place of chaos and anarchy. That fortunately has disappeared from this country. Let not Government, by any unwise action, bring about in this country again a situation which they might at a future date have to repent, and which will not be conducive to the good and the welfare either of this country or of its relations with Great Britain. I appeal to the Government once more. Exercise patience, exercise commonsense, do not suffer, as Lord Curzon pointed out, from the fault of not looking ahead sufficiently. Take a long view of things. Try to pacify the people of this country on every reasonable question. I say that this is one of the most reasonable demands that the House has made, and I trust, that the Government will not propose an enhancement of the tax on salt against the wishes of the people. It is not too much to demand from the Government to carry out in this respect the wishes of this House. Sir, I appeal to the Government to respect the wishes of the people.

The Honourable Sir Basil Blackett: Sir, I do not wish to detain the House at this late hour, but there are one or two points which it is necessary that I should not leave completely unanswered. I do not propose to follow Mr. Jannadas Dwarkadas in his very eloquent appeal; all I would like to say on that subject is that, speaking here, I regret exceedingly that the House has missed what seems to me a unique opportunity for confounding for ever any questioners outside this country of the reforms scheme. But I will say no more on that subject; I will deal with the two other points raised. As regards the point raised by Mr. Willson in

[Sir Basil Blackett.]

regard to salt, the Government will be prepared to consider the point which he has raised and will, if necessary, consider whether any action need be taken in another place. The Honourable Member from Karachi seems to founder deeper and deeper in sentimental finance, as it has been called to-day, with every stage of the crisis; the more he is driven to face the necessity of adopting sound methods of dealing with the difficulty, the more unsound are the expedients which he tries to find to slip out of it. He has again repeated that this is a temporary crisis, it is a temporary financial stringency. I have stated more than once, and it has been said by others, that that is a view which cannot be put forward with any certainty, I would like just to make this point. He said that the cuts suggested by the Retrenchment Committee are something over 19 crores, and though we cannot put them all into force this year, we ought to put them in to force next year. I hope we shall put into force next year every possible retrenchment, but I must point out that at least 6 crores out of those 19 crores are non-recurrent savings: non-recurrent—there is the lag and terminal charges this year, which make our total actual savings, I think, about 12 out of the 19 recommended by the Retrenchment Committee. But of those 12, I think I am right in saying that at least six are non-recurrent; they do not recur next year; so that we cannot take too rosy a view of next year's situation.

Sir Montagu Webb has a rather indistinct idea as to where the line is to be drawn between capital and revenue. He says we are using part of the Gold Standard Reserve this year; I would point out that we are only using the interest on the Gold Standard Reserve, which is recurrent. If we do not touch the total reserve this year, that interest is a recurring item—it is a recurring interest item we are using, we are not using the principal. I will not be diverted at this moment into discussing whether or not the gold standard reserve is sufficient or insufficient for its purpose or enter into other arguments as to its use. Obviously the gold standard is needed and required for the purpose of dealing with our exchange and stabilising our exchange when the moment comes for doing it. That would be the moment to consider how finally to dispose of our available resources for stabilising exchange. If we were simply to use them for the purpose of meeting our current outgoings, we should be spending Capital on Revenue purposes, but I think it is a little beyond. (*A Voice*: "Use it for deflation.") If we use it for deflation, it is not revenue. I think Sir Montagu Webb said that 8 million pounds was about the maximum needed to cover any two years' adverse balance of exchange. (*Sir Montagu Webb*: "Eight millions a year.") In 1920-21 we had an adverse balance of 48½ crores, and in 1921-22 a total adverse balance of 32 crores, or a total adverse balance of 80 crores in two years. (*Sir Montagu Webb*: "Surely, Sir, not the balance of trade.") I am sorry to hear at the last moment a suggestion, which might mislead public opinion, put forward that there is a possibility of covering the deficit by a sound means and it would be very unfortunate if that went out to the world as a possibility, when I believe, as even Sir Montagu Webb must know, that it is not in any sense a suggestion for balancing the budget. It is a suggestion for devising ways and means which we need not discuss, it is not in any sense a suggestion for making the Budget balance.

Mr. President: The question is:

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the

Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, as amended, be passed."

The motion was adopted.

STATEMENT OF BUSINESS.

The Honourable Sir Malcolm Hailey: I should like to make a statement, Sir, regarding business. Lists of business for Wednesday and Thursday have been distributed. It is not proposed to hold a meeting on Friday. On Saturday we propose to take any business that may be left over from Thursday, and after that to devote, what I hope will only prove to be half a day, to private business. For that purpose we propose to ballot for two Resolutions. We propose to keep the list open from 10 to 1 P.M. to-morrow and have an informal ballot at lunch time. On Monday we propose to take Government business and on Tuesday there may be a little Government business remaining over to be taken, and after that is finished, we propose to proceed to complete as far as possible the list of private business which was down for Thursday next and some of which will no doubt be remaining over for completion. (*Munshi Iwar Saran:* "Is that the last day"?) I hope, Sir, that we shall be able to inform you that we have no further business after Tuesday.

The Assembly then adjourned till eleven of the Clock on Wednesday, the 21st March, 1928.

LEGISLATIVE ASSEMBLY.

Wednesday, 21st March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

GOVERNOR GENERAL'S ASSENT TO BILLS.

Mr. President: I have to acquaint the House that His Excellency the Governor General has been pleased to give his assent to the following Bills:

- The Indian Cotton Cess Act, 1923;
 - The Indian Income-tax (Amendment) Act, 1923;
 - The Government Savings Banks (Amendment) Act, 1923;
 - The Prisoners (Amendment) Act, 1923;
 - The Criminal Law (Amendment) Act, 1923.
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THE CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

Sir Henry Moncreiff Smith (Secretary, Legislative Department): Sir, in the absence of the Honourable the Home Member I move the motion which stands in his name to-day, namely:

“That the further amendments made by the Council of State in the Bill further to amend the Code of Criminal Procedure, 1898, and the Court-fees Act, 1870, be taken into consideration.”

The House is well aware, Sir; that the Council of State, so far as the volume of amendments made by it is concerned, has done very little to the Bill. They have in fact made four amendments, three of which were put forward at the instance of Government and the fourth by a non-official Member. The three matters in which Government sought to amend the Bill as it was passed by the Legislative Assembly were in respect of the changes made by this Assembly in sections 162, 195 and 406. I do not think, Sir, at this stage I need enter into details as to Government's motives or reasons for putting forward these amendments which the Council of State accepted. As the individual amendments are taken into consideration, it will be open to the House to discuss them and Government will then have an opportunity of explaining its own position with regard to them.

Mr. President: The question is:

“That the further amendments made by the Council of State in the Bill further to amend the Code of Criminal Procedure, 1898, and the Court-fees Act, 1870, be taken into consideration.”

The motion was adopted.

Mr. President: Amendment made by the Council of State:

"That in clause 34 of the Bill—

(a) in the proviso to the proposed sub-section (1) of section 162, the words 'allow inspection to the accused and' were omitted; and

(b) after the same proviso the following proviso was added, namely:

'Provided further that, if the Court is of opinion that any part of any such statement is not relevant to the subject-matter of the inquiry or trial or that its disclosure to the accused is not essential in the interests of justice and is inexpedient in the public interests, it shall record such opinion (but not the reasons therefor) and shall exclude such part from the copy of the statement furnished to the accused'."

The question I have to put is that this Assembly do agree with the Council of State in the said amendment.

Bhai Man Singh (East Punjab: Sikh): I have sent notice of two amendments but I do not know if copies have been received or not.

My first amendment is that this whole change should be omitted and that the clause, as passed by the Legislative Assembly, should be re-instated. In the alternative I have suggested that the words "or that its disclosure to the accused is not essential in the interests of justice" should be omitted.

Mr. President: As regards the first proposal made by the Honourable Member, an amendment must be in a form which can be put from the Chair in its proper place in the Bill, and therefore, the first proposal of the Honourable Member is one that I cannot accept. The second one is in order.

Bhai Man Singh: May I then, Sir, propose the second amendment only. I am just now told that it is the result of some compromise effected, of which I of course have got absolutely no knowledge, but if some of our Members have got this knowledge and declare that it is a compromise then I have nothing to say. As a matter of fact, I really object to the words "that its disclosure to the accused is not essential in the interests of justice", because they are so wide that anything could be brought under them, and, practically speaking, if we retain these words, the whole change that we have made becomes a nullity. As I have been told that there has been a compromise, I do not wish to move this amendment.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadan): Sir, as there may be two conflicting views regarding this amendment, I may be permitted to say a few words in connection therewith. As Honourable Members are aware, when this clause was under discussion in this House, the non-official Members moved and carried an amendment that all statements made to the police should be available to the accused for the purpose of cross-examination. The Honourable the Home Member took exception to the generality of this amendment and pointed out a case of a widespread conspiracy in which the names of persons not directly concerned in the trial of the case might be involved and which would highly prejudice the administration and not serve the immediate purpose of the accused, and consequently it was moved by the Honourable the Home Member that this clause required some modification. Honourable Members will remember that we on this side of the House were prepared to accede to the suggestion made by the Honourable the Home Member, and while several drafts were exchanged nothing could be settled and nothing was settled. In this state the amendment went to the other House and then after some discussion the clause

which the Honourable Members find now before them for consideration was drafted. I find one Honourable Member suggesting that this disclosure to the accused is not essential in the interests of justice (*Mr. T. V. Seshagiri Ayyar*: "Unnecessary.")—is unnecessary. I wish to point out that that is a very necessary safeguard in the interests of the accused. That is to say, if it is essential in the interests of justice to the accused, copies shall be given and the exception that finds a place now in section 162 seems to me a very limited exception, and it is not likely to frustrate the ends of justice. If it does and cases do arise in which the accused is deprived of the right of cross-examining witnesses in the light of the statements made to the police it will be open to Honourable Members to move for the further amendment of this section later on; but for the present I think it worth while accepting the clause as it has been drafted and accepted in another place.

Mr. President: The question is that this Assembly do agree with the Council of State in the said amendment.

The motion was adopted.

Mr. President: Further amendment made by the Council of State:

"In sub-clause (5) of clause 47 of the Bill, for the proposed new sub-section (5) of section 195, the following sub-section be substituted, namely:

'(5) Where a complaint has been made under sub-section (1), clause (a), by a public servant, any authority to which such public servant is subordinate may order the withdrawal of the complaint and, if it does so, it shall forward a copy of such order to the Court and, upon receipt thereof by the Court, no further proceedings shall be taken on the complaint.'

The question I have to put is that this Assembly do agree to the amendment made by the Council of State.

The motion was adopted.

Mr. President: Further amendment made by the Council of State:

"For clause 109 of the Bill the following clause be substituted, namely:—

• 109. For section 406 of the said Code the following section shall be substituted, Amendment of section 406, Code of Criminal Procedure, 1898.

'406. Any person who has been ordered under section 118 to give security for keeping the peace or for good behaviour may appeal from order requiring security for keeping the peace or for good behaviour, against such order—

(a) if made by a Presidency Magistrate, to the High Court:

(b) if made by any other Magistrate, to the Court of Session:

Provided that the Local Government may, by notification in the local official Gazette, direct that in any district specified in the notification appeals from such orders made by a Magistrate other than the District Magistrate or a Presidency Magistrate shall lie to the District Magistrate and not to the Court of Session:

Provided further that nothing in this section shall apply to persons the proceedings against whom are laid before a Sessions Judge in accordance with the provisions of sub-section (2) or sub-section (3A) of section 123.'

Dr. H. S. Gour: Sir, I oppose the proviso and I wish to give my reasons for doing so. Honourable Members will remember that this clause was the subject of a lengthy debate in this House. The object of constituting the Sessions Judge as the sole appellate tribunal in cases of apprehended breach of peace and security of behaviour was justified on the broad principle that the District Magistrate is technically and in many

[Dr. H. S. Gour.]

cases in reality the head of the district police, and proceedings, whether under section 107 or section 110, are initiated by the police with his cognizance and at times with his approval. Therefore if a Magistrate subordinate to him decides a case under these sections it is but just and fair that the appeal should lie to an independent tribunal, neither prepossessed nor prejudiced nor suspected of prepossession or prejudice in favour of or against either side. Honourable Members will realise that for a long series of years the country at large has been crying for what is now known as the separation of the judicial and executive functions, and a small beginning was made in this House by transferring these appeals from the head of the district police to an independent judicial officer. All that could be said for and against our amendment was said by the representatives of either side, and after full consideration we decided that such cases must go to the Sessions Court who is a judicial officer and before whom the accused is likely to get better justice. That amendment has been substantially altered in another place and I wish to point out to the Honourable Members here that if we accede to the clause inserted elsewhere we shall be neutralising the effect of the amendment we made after long and anxious debate. What is the effect of this proviso which is sought to be inserted? The effect is that the Local Government may by mere notification completely frustrate the declared policy and object of the Indian Legislature and that all such cases shall be heard in appeal by the Court of Session. It arms the chief executive authority in the Province to constitute a special tribunal in derogation of the wishes of this House. Sir, Honourable Members are not unfamiliar with the constitution of such exceptional tribunals by executive notifications. My lawyer friends also know the great danger of arming the executive with this power. The Central Legislature is the sole judge and shall not allow the executive to do its work in designating officers to hear appeals from these cases. If Honourable Members desire that the District Magistrate should continue in future as he has been empowered in the past to hear appeals against these police cases, let them cut out the proviso and let them also cut out what they decided on the last occasion. But let there be no doubt that if this proviso is allowed to obtain a place on the Statute Book, it will completely neutralise the effect of the amendment which this House made, because the Local Governments always prefer rough and ready justice to considered and deliberate justice which the Sessions Judges deliver. Executive Governments will complain and I know the Honourable the Home Member will lay before you considerations of economy, of convenience, and appeal to you in the name of economy and convenience to allow the proviso to go on the Statute Book. But I ask, Sir, was this not the consideration presented to you on the last occasion when this amendment was under discussion in this House, and did you ignore that consideration presented to you by the occupants of the Government Benches? What fresh facts could be brought to light have been brought to light. What facts are there now to ask you to reconsider your judgment and go back upon the amendment which you deliberately made, despite the opposition of the Honourable the Home Member and his colleagues? I submit that the time has now come when cheaper justice, expeditious justice must be subordinated to the higher considerations of purer, unadulterated and unsuspected justice. It has been said and it was said on the last occasion that these are after all preventive sections. They penalise nobody and what harm is done if an accused is bound over

to be of good behaviour or to keep the peace? Well, Sir, I am sure that those who advance that argument would not like to be bound over on the mere ground that no harm is done if security is demanded of them for being of good behaviour or to maintain the peace. We know, Sir, that a man's character is at times blighted by proceedings taken under these sections; he becomes a police suspect and the proceedings under section 110 expose him to a systematic persecution which curtails his liberty, exposes him to the ignominy and shame of a person who is or suspected to be a habitual criminal, not because there has been any conviction against him, but because he is bound over to be of good behaviour. Who is bound over to be of good behaviour? Who can be bound over to be of good behaviour? A person who has been of bad behaviour, who is a habitual criminal, does mischief, commits thefts, robbery, dacoity and all the allied offences which are categorised in that section. Listen not, therefore, to the plea that might be raised that no conviction is made in an order passed under section 110. Dismiss from your consideration that these are mere preventive sections and they do no harm but are merely intended to preserve the public peace. Reflect for one moment on the great injury that has been done to individuals in proceedings instituted against them under these sections; and I ask, therefore, that these sections cannot be dismissed as sections of a purely preventive character. These are all the arguments that have been advanced, arguments based on considerations of economy and of convenience and of what is called the comparatively trivial character of the proceedings under these sections. I have dealt with them, and I have no doubt that the House will agree with me that this provision is a dangerous provision and that it should be deleted from the Statute Book.

The Honourable Sir Malcolm Hailey (Home Member): May I ask that the Honourable Member will put himself in order by informing us exactly what motion he is putting forward?

Dr. H. S. Gour: Sir, I move that the clause which runs thus be not accepted by this House:

"Provided that the Local Government may by notification in the local official Gazette direct that in any district specified in the notification appeals from such orders made by a Magistrate other than the District Magistrate or a Presidency Magistrate shall lie to the District Magistrate and not to the Court of Session."

The Honourable Sir Malcolm Hailey: Sir, I am afraid the Honourable Member has not quite put himself in order yet. At this stage of the proceedings the motion that will be made is dictated by the following rule:

"The other Chamber may either agree to the Bill as originally passed in the originating Chamber or as further amended by that Chamber, as the case may be, or may return the Bill with a message that it insists on an amendment or amendments to which the originating Chamber has disagreed."

Dr. H. S. Gour: I therefore insist that I want the restoration of this clause as it was originally passed by this House and we do not accept the amendment made in another place.

Mr. President: Does the Honourable Member wish to put the motion in the form that this Assembly do insist on its original amendment?

Dr. H. S. Gour: Yes.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): They have added a further amendment to our amendment.

Mr. President: As far as I can see it does not apply to the whole of the new section.

Sir Henry Moncrieff Smith: The whole section has been redrafted by the Council of State, and if this House confines itself to insistence on the amendment that it previously made it must not only remove that proviso but it will set the clause back into the form in which it emerged from this House on the last occasion.

Dr. H. S. Gour: I may say in this connection, Sir, that we shall not quibble about words and if there are any verbal changes made for the purpose of improving the draft, we will treat it as substantially an amendment of this House, though there may be verbal variations. What we object to is the insertion of the proviso which I have read out and which substantially varies the amendment of this House in the Council of State.

Mr. President: The procedure laid down in the rule makes it evident that the Assembly must insist on the entire clause as originally amended by the Assembly and the rules will not permit the acceptance of the suggestion made by Dr. Gour.

Dr. H. S. Gour: Very well, Sir; to comply with the rule I insist upon the restoration of the clause as amended by this House.

Khan Bahadur Sarfaraz Hussain Khan (Tirhut Division: Muhammadan): Was notice given of this amendment, I wish to know.

Mr. President: It cannot be called an amendment. A special form of procedure is provided for the stage which we have now reached. Honourable Members will realise that the Bill originated in the Council of State and then it came to this Assembly and was taken in January; then it went back to the Council of State and now it has come back again from the Council of State a second time. The procedure is restricted to that laid down in rule 36, sub-rule (4), which is the operative rule for the purposes of the present discussion.

The Honourable Sir Malcolm Hailey: Sir, I merely rise for the purpose of getting the motion in order. We quite understand the purport of the opposition of Dr. Gour. We merely wish to get the matter into such form that it will comply with the requirements of our Standing Orders, and in that connection I will explain to the House what exactly will happen if it follows Dr. Gour in what he has proposed. If the Bill is now returned with a message intimating that this Chamber insists on amendments to which the originating Chamber is unable to agree, then that Chamber may either report the fact of the disagreement to the Governor General or allow the Bill to lapse. We have, therefore, arrived at a somewhat interesting stage in the history of the Criminal Procedure Code (Amendment) Bill. I shall not weary the House by again reciting its long previous history, and it is quite unnecessary for me to remind the House of the fact that this Bill has engaged a considerable portion of the time of this Session. It has gone back to the other House, and the other House has returned it here. As a result of much work here, there and between, if I may so put it, we have now arrived at an agreement on practically every point at issue; or shall we say that if we have not arrived at an agreement, for that connotes a certain mental satisfaction which is perhaps present neither in our minds nor yours, we have at least arrived at a settlement on every point except this. If we do not arrive at a settlement on this point, then, as I have just pointed out to the House, the

other Chamber will eventually be faced either with the necessity of reporting to the Governor General the fact of this disagreement or of allowing the Bill to lapse. Well, for my part, Sir, I should be sorry to see the Bill lapse, if only because of the great amount of time, labour and anxious care that has been bestowed upon it. Believe me, we should not have thought of introducing this proviso unless we had been fully convinced of its necessity, for we recognized the consequences its insertion was likely to bring in view of the opinions previously expressed in this House. I will admit at once that from what I may describe as a purely Home Department point of view there are some features about the Criminal Procedure Code, as it now stands, which do not greatly commend themselves to me. There are many improvements, I admit, and we should be glad to see those improvements introduced; but there are other features which, as I have said, do not greatly commend themselves to us, and the question will finally arise in our minds whether we, balancing the two, are so enamoured of the revised Criminal Procedure Code that we shall attempt to take any further steps to put it into final operation or whether we shall perforce be obliged to retain the law as it now stands. That is the decision at which we shall have to arrive. I should be glad to avoid having to settle those issues.

Now, Sir, the House will agree that we have tried to meet it in every possible direction, and here we have one item, not an item perhaps of the very first importance (*Dr. H. S. Gour*: "No") on which we have been unable to arrive at an agreement. Now what are the facts about this? We have conceded the principle that appeals ought to go to the Sessions Judge. So much we have conceded, but we have found ourselves unable to go with the position described by *Dr. Gour*. He says that the Legislative Assembly has decided and must insist that all appeals shall go to the Sessions Judge; but our point is that this Assembly has not yet provided the Sessions Judges to whom those appeals should go, and it cannot do so. I would remind the House, in the first place, that we have now open to appeal orders passed under section 107. Appeals, therefore, against those orders will be heard for the first time, and will swell the general body of appeals under these security sections. Now I have been unable to form any accurate calculation of what the total number of appeals will be that are likely to go to Sessions Judges. I can only tell the House there are on the average of the last three years 43,000 persons annually subjected to this class of orders in India. The House can form its own conclusion as to the number of such persons who are likely to appeal to Sessions Judges. They must be considerable. There will first be the appeals against the order of the District Magistrate in which there is now no appeal. Then as regards appeals against the orders of first class Magistrates, which are now heard by District Magistrates, I would point out that there is a much larger number of District Magistrates than of Sessions Judges, and take it whatever way you will, it is quite certain that we should have to increase the number of Sessions Judges to hear these appeals. That is to say, that although we have at present an organization which can and does hear the appeals and against whom I will not admit the charge that they do not hear those appeals properly,—yet we should add to the expenditure of the Local Governments by forcing them to appoint fresh Sessions Judges. Various calculations have been formed as to the numbers which will be required. I do not wish to pin my faith to those, for they cannot, in the circumstances, be accurate. It has been suggested, for instance, that in the Punjab from 5 to 7 Sessions Judges will be required; and in other provinces such, as the United Provinces, there would equally be a certain

[Sir Malcolm Hailey.]

necessity of appointing fresh Sessions Judges. Now, Sir, how does the case stand with regard to our Sessions Judges? We have, as the House is aware, already thrown additional criminal work on them as a result of the enactment of our Racial Distinctions Bill. Local Governments pointed out at the time and High Courts also adverted to the fact that that would be the result. As the House is well aware, District and Sessions Judges have now practically to confine themselves in many areas to their appellate work and can do little original civil work; in some cases it is much worse. Listen to what the Patna High Courts said on the subject. They were writing on the subject of the changes introduced by the Racial Distinctions Bill. They said:

"The Judges entertain no doubt that in this province no District and Sessions Judge will have time to attend to any civil appellate business. It was once hoped that District Judges would occasionally take original civil suits, but in the majority of districts that hope is now impossible of fulfilment and the most that can be expected is that they should in the exercise of their appellate jurisdiction see something of the work of their Munsifs and Subordinate Judges."

Now, if that is the case already, have we any right here to add to the work of Sessions Judges to such an extent that they will not even be able to attend to their civil appellate work? Having already given up hope largely of their being able to take original work, we now intrench on the time which they can give to their appellate work, and the only alternative to that is appointing fresh Sessions Judges. Dr. Gour sought to make light of this consideration, and I think that when the matter was previously discussed other Members resented our taking shelter behind considerations which were mainly financial in their nature. Well, Sir, we have, I am afraid, learnt in the course of the budget debates the importance of such considerations in regard to our own finances, and I think that it is the duty of this House to show an equal consideration to the finances of Local Governments; nay, to show consideration also to the interests of civil litigation in the provinces. I believe that there are provinces where the Local Government would not find it necessary to use this proviso; there are places where the number of orders passed under Chapter VIII of the Criminal Procedure Code is small and there would be no reason for withdrawing such cases from the purview of the Sessions Judge; but there are undoubtedly provinces where the considerations to which I have referred would and must apply. Now, Sir, that is the ground and, I think, the substantial ground on which we have felt ourselves obliged to insert this proviso. May I add that there is nothing in it which justifies the criticism that Dr. Gour has extended against it as unusual, or as taking the matter out of the hand of the Legislature and placing it in the hand of the executive. You have parallels elsewhere. The Local Government can by Notification, for instance, decide whether trials shall be by jury or by assessors. The Local Government (although I know this provision is objected to) can decide when section 30 powers should be given to Magistrates. And you will find as the result of the investigations which we are now making, following the report of the Racial Distinctions Committee regarding the use of that section, that Local Governments will take their stand in regard to its use not on grounds of principle but on grounds of economy. There is therefore I say nothing unusual in this proviso and nothing unreasonable. I admit there is in many quarters a strong feeling that there should be a complete division of functions between the executive and the judicial, an old-standing feeling which has found fresh impetus from the Committees

appointed at the motion of our Legislative Councils. Well, how far have Local Governments as yet found themselves in a position to carry out such recommendations? Nowhere, I believe, and it may be some time before they can do so. I say to the House this, that they may advisedly leave this question to be decided as part of the general question of the separation of executive and judicial functions, as indeed it is a part. When Local Governments are in a position to carry out the concrete suggestions of the various committees they have appointed in regard to the separation, then will be the time, but not before, to insist that all appeals against orders passed under Chapter VIII of the Criminal Procedure Code shall come before the Sessions Judges. But until then you must be swayed by exactly the same considerations as are swaying Local Governments in this respect: that is to say, that whatever desire there may be to completely separate these functions, yet for the present financial considerations are too strong. You have here in your Act a provision on which future action can be taken as circumstances permit. Leave it there. When the wider question is settled and provision is made for the administrative changes which that settlement will involve, then this section will stand in good stead. But meanwhile the proviso is in our opinion necessary.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): Sir, I think the House must recognize the strength of the plea put forward by the Honourable the Home Member for the retention of the provision as a purely transitory measure. We all know, and the Home Member himself has admitted it, that we must do all we can to get judicial and executive functions separated. That is the ideal that we had before us for a long time, an ideal which the Government is just recognizing as needful but for the attainment of which active support was not forthcoming on its part so long. That support is now coming. One must admit the correctness of what has been stated with regard to the heaviness of the work of Sessions Judges. We feel that every day in Bengal. The instance of Bihar and Orissa has been quoted, but long-suffering Bengal complains as little as possible. The District Judge, who is also the Sessions Judge in most places, has absolutely no time for what would be considered his legitimate work, his original suits, his appeal work and miscellaneous civil work. The head of the judiciary of the district undoubtedly ought to see as much of appeal work both civil and criminal as possible, and he will do so where it can be arranged for; where it cannot be is the only area in regard to which I understand this provision is to apply and for as short a period as possible. Having regard to that view of things, about which there can be no gain-saying, and fully conceding the soundness of the proposition that economic grounds ought not to be a reason for the denial of justice, it is impossible to insist that this provision shall rigidly stand out. The District Magistrate, I hope, will soon be relieved of all work of this kind; when the District Magistrate entirely takes over the judicial work, he will have to do work of this kind to a very considerable extent. Where the Local Government feels that a particular District Magistrate is not fit to be entrusted with this work, or where this is not desirable, I have no doubt that the proviso will be judicially interpreted and judicially administered. For this reason, Sir, and not for the first reason put forward by the Honourable the Home Member do I object to Dr. Gour's motion. The first objection put forward was that, for fear of possible lapse of the Bill, the House ought to agree to the alteration made by the Council of State. If unfortunately that is the position of things created by the Standing Rules.

[Sir Deva Prasad Sarvadhikary.]

and Orders, you have got to face it, and think about amending it in a way that will not involve the lapsing or rejection of a whole measure because, with regard to a small part of the Bill like this, there happens to be a difference of opinion between the two Houses. Even if there be an acute difference of opinion, the undesirable results that the Home Member has indicated ought not to take place and nothing should interfere with our reaping the fruits of long-drawn labours like those we have gone through. But the likelihood of the result indicated would not itself influence our consideration. On other grounds, however, on the somewhat low ground of expediency, I think we might allow this provision to stand for the present, absolutely on the understanding put forward by the Honourable the Home Member that it is a temporary, transitory provision necessitated by the exigencies of the case, to be remedied as soon as possible, and never to be applied unless there is the clearest possible necessity for it.

Mr. P. B. Haigh (Bombay: Nominated Official): Sir, my reason for rising to address the House this morning is because Dr. Gour has made use of some expressions which I do not think ought to go unchallenged. I believe, Sir, that I am the only Member of this House who is actually at this moment a District Magistrate, and I trust therefore that the House will forgive me if I attempt to make some reply to what Dr. Gour has said. Sir, Dr. Gour has told the House that the justice administered by District Magistrates is rough and ready in comparison with the considered and deliberate justice of the Sessions Judge. Well, Sir

Dr. H. S. Gour: I rise, Sir, to a point of order. I am afraid my friend, Mr. Haigh, must have entirely misunderstood me. What I said was that Government wanted rough and ready justice

Sir Deva Prasad Sarvadhikary: And wanted Magistrates to administer it.

Dr. H. S. Gour: Yes, I repeat that statement.

Mr. P. B. Haigh: I cannot see the point of order. As for the statement that Government wants rough and ready justice, well, Sir, I am not in a position to answer for the Government; the Honourable the Leader of the House will no doubt do that. But Dr. Gour went further and went on to say that the justice administered by the District Magistrate, as compared with that administered by the Sessions Judge, was impure, adulterated, suspect. Sir, I repudiate those charges, and I would beg Dr. Gour to remember that even District Magistrates are not devoid of a sense of professional probity: and when a case in which a man who was bound over to be of good behaviour comes up to the District Magistrate on appeal, he has no right to assume that the District Magistrate will not undertake consideration of that case without a due sense of his responsibility towards the accused and towards the Government whom he is serving. Sir, I feel it my duty to protest in the name of District Magistrates against charges of that kind and language of that sort being used in this House. Sir, as regards the general question, I do not wish to add anything to what the Honourable the Home Member has said; and from the words of the last speaker it is quite clear now that the consideration that he has urged will carry their due weight with this House. But I would point out one thing to Honourable Members, and that is, that if Dr. Gour could have his way, and if

the effect of his motion would simply be to exclude the proviso, then the very large number of persons who will be affected by this section and who will be compelled to go on appeal in every case, not to the District Magistrate but to the Sessions Judge, will inevitably in many districts be subjected to great delay, and I doubt whether, even in the interests of those persons, it is desirable that this proviso should be exercised.

Mr. Pyari Lal (Meerut Division: Non-Muhammadan Rural): Sir, we are driven to a very unfortunate position. The Honourable the Home Member has laid before us the procedure in case Dr. Gour's motion is accepted. It will mean that the work on this Bill for the last three years, that is, of all those persons who went before us and our work for the last three months on this Bill, will be completely lost, and it stands a chance of being destroyed at the hands of the Council by its allowing it to a lapse. Well, Sir, who is responsible for this position? We from the very beginning have been, and as has been conceded by the Honourable the Home Member, the whole country is very strong on this point. They want to have the executive functions of the District Magistrate to be separated from the judicial, and it was to give expression to our feelings on this point that this particular amendment was introduced by this Assembly in the Criminal Procedure Code. We knew at the time that

12 noon.

the Honourable the Home Member was opposed to it, but he is a strong man and he must have his way. The Government go to the Council of State and force their will on that august body. They come back again to us and they want to force our hands. Either we must accept it at the point of the bayonet or throw it out. Now, being in this position, our difficulty is that we do not know what to do. We do not want that the Bill for which we have spent such anxious thought and time for so many months should go by the board in this manner; at the same time, we do not want that this proviso objected to by Dr. Gour should receive universal recognition; because in the same breath you say that the appeal should go to the Sessions Judge and yet that the Local Government should undo all what we have done here, that it may transfer these appeals again to the District Magistrate. But, however, situated as we are, we must accept the inevitable and there is only one way out of it, and that way has been suggested by the Honourable Member himself, the gentleman who is responsible for all our misfortunes, and that is, if we let this proviso go now, afterwards when the separation of the executive from the judiciary is carried out, we can come back to the Legislature with a fresh amendment of the Criminal Procedure Code. That is the only alternative left. I know it, Sir, for a fact that all criminal cases, whether they be original or appeal, before the district Magistrate do not give much satisfaction. In spite of what the Honourable Mr. Haigh has said, I join issue with him. Is there a gentleman in this Assembly who has any experience of cases heard by District Magistrates who can lay his hand on his heart and say that the District Magistrate is the proper judicial officer to hear judicial cases? I know it for a fact for the last 40 years that there are very few appeals, if any at all, which are accepted by the District Magistrate. In fact they have a printed form ready which says: "I see no reason for interference". These are the only words that the parties receive, and naturally so, because they are such busy officers who have so many and multifarious duties to do. The District Magistrate is not sitting there as a judicial officer, but he is there as a Magistrate, whose functions, according to him and according to all accepted notions, are very different from those of a judge and therefore we cannot . . .

The Honourable Sir Malcolm Hailey: Is a Magistrate not a judicial officer?

Mr. Pyari Lal: He might be just technically so to suit the exigencies of the executive Government; otherwise he cannot possibly devote the amount of time required to decide judicial cases. Therefore, on all hands it is very desirable that he should be relieved of this work. I understand that the United Provinces Government have already decided this matter and they have formulated their views and submitted them to the Government of India; and if that reform is accepted, of course as a matter of fact the amendment above referred to will have to be introduced at a very early date in the Assembly and if other Governments also follow suit, I suppose not much harm will be done if we let the present occasion pass and come afterwards and have this suggested amendment introduced.

Mr. Harchandrai Vishindas (Sind: Non-Muhammadian Rural): May I enquire from the Government whether they will undertake to issue instructions that this power should be very sparingly exercised, so that the apprehensions that have been entertained by Dr. Gour that as a rule all Local Governments will be empowered under this, may be removed?

The Honourable Sir Malcolm Hailey: In a matter of this kind we consider it proper to leave that discretion to Local Governments. I should be very sorry indeed to think that any instructions that were issued from the Government of India could be interpreted in the sense that we ourselves thought that the charges which have been levied here to-day against the judicial character of District Magistrates had any justification. I consider that this is a matter which must be left to the Local Governments and to the public opinion as expressed through local Councils.

Munshi Iswar Saran (Cities of the United Provinces: Non-Muhammadian Urban): Sir, I wish to say at the outset that I neither agree with Mr. Haigh nor with my friend, Mr. Pyari Lal, about their estimate of the judicial work done by District Magistrates. There are some very excellent District Magistrates who write elaborate, well reasoned and well thought out judgments, while there are others who do not do it. But there is one fact which we ought to take into account and it is this, that as far as a District Magistrate is concerned, it is his duty to hear all sorts of reports from the police. Influential and important men come from all over the district, they relate to him their own troubles, their own grievances, and thus a great deal of information reaches him which does not reach the Sessions Judge. The Sessions Judge, therefore, has certainly to depend more on the record before him than on outside information. Be that as it may—there is a very strong feeling that it would be far better if these appeals were decided by Sessions Judges. I shall ask the Honourable the Home Member to consider one particular matter. He may feel convinced that these appeals could very well be heard by District Magistrates but he ought to take into account the very strong feeling that exists in the country. As a matter of fact, a European lawyer of eminence, while I was coming up here, said to me "If you can get nothing done please see that these appeals in what are called in my province *badmashi* cases, should on appeal go up to the Sessions Judge and should not be heard by the District Magistrate." It may be a wrong feeling, but there the feeling is, and I venture to think that a careful and cautious administrator will make a note of that feeling and will try to do all that he can in order to remove it. If the Honourable the Home Member will tell the House

that this provision is really temporary, for 2 years or 3 years or 4 years, and that there is not the slightest apprehension of its remaining long in the Statute Book, I venture to think that, as a matter of compromise, it will be acceptable even to my friend Dr. Gour and to Mr. Pyari Lal.

Mr. Pyari Lal: I have accepted it already under those circumstances.

Munshi Iswar Saran: Sir, there is no doubt that the acceptance of this provision may lead to a few more appointments of District Judges, but I shall ask the Honourable the Home Member to consider the new arrangement which has already been made. Subordinate Judges in many places have been given the status of Additional Sessions Judges and they hear criminal appeals. Moreover, as appeals from Magistrates of the first class generally go to Sessions Judges, I do not see why this provision should be introduced, which would be an exception.

I must confess that the Home Member laid great stress, and very rightly, on the financial or the economic consideration, and he did not seriously combat the view that it would not on the whole be better and more advisable that these appeals should go to the Sessions Judge. I shall say this, that a little expense for the production of the belief amongst the vast masses of the people that justice is done to them would be well justified. I shall say only one word, Sir, and it is this. The Honourable the Home Member has said, if you insist on it there is this trouble, that either this Bill will lapse, or the matter will have to be reported to the Governor General. Sir, prudence and compromise are most admirable virtues, but there are occasions when they degenerate into either weakness or vice. This is the situation. It was the same thing over the Racial Distinctions Bill—accept this or that condition or the whole Bill drops. It is the same thing here again—we are told to accept this proviso, otherwise the whole Bill lapses. I do not say it is the Home Member or Government that has brought us face to face with this situation. Whether it is due to the intervention of some mysterious power I know not, but we are confronted with a position which is not acceptable to us, and then it is said, “Look here, the work of so many years will be wasted if you do not agree with this proviso, there are so many improvements you can have by accepting it.” Too much stress is being laid on this line of argument, and I should say that it is time now, or perhaps the time will soon come, if it has not come to-day, when this House will have to make up its mind and say “Well, we are clear, we adopt this attitude, and we are ready to take the consequences.” I shall say to the Honourable the Home Member that he will shorten the debate and there will be no necessity for voting if he will state that this is only a temporary measure, and we need not entertain any apprehension regarding its becoming permanent.

Mr. Darcy Lindsay (Bengal: European): I move that the question be now put.

Mr. P. E. Percival (Bombay: Nominated Official): Sir, as a Sessions Judge myself I am not likely to be unduly biased in favour of District Magistrates; but I may say I have had some experience of the work of Magistrates, because I have been taking appeals for the last 15 years from Magistrates, including District Magistrates. I believe that Honourable Members have an idea that the District Magistrates are sometimes influenced by considerations other than the actual evidence before them. This, however, is not really so except in an infinitesimal number of cases. Well, Sir, I would also like to confirm the statement of the Honourable

[Mr. P. E. Percival.]

the Home Member that Sessions Judges, especially in Sind where I come from, have very little, if any, time for civil work. They are occupied the whole time with criminal work. Sessions cases and criminal appeals take up practically the whole time of Sessions Judges; and the additional work thrown on them by the Racial Distinctions Bill and this Bill will still further the criminal work of Sessions Judges. There is one other point to which I should like to draw attention, as I think, it has not been realised by Honourable Members; and that is that the alterations made by this Bill in section 406 have had the effect mentioned by my Honourable friend Sir Henry Moncrieff Smith in regard to another clause, namely, that the Government have already gone nine-tenths of the way to meet the wishes of the Assembly. I believe that 90 amendments, large or small, have been made in this Bill by the House, and have been accepted by Government, that is to say, cases in which Government have been out-voted, and cases in which Government have accepted the amendments; and there remains only this one little item, in which case too Government have gone nine-tenths of the way to meet non-official opinion. Now the existing law is that there is no appeal in the case of security against a breach of the peace. Under the present Bill there is going to be an appeal in the case of security against a breach of the peace as well as of security for good behaviour. That is one alteration. The second alteration is that there is at present no appeal from an order of a District Magistrate or of a Presidency Magistrate. Now there is going to be an appeal from the Presidency Magistrate to the High Court, and from the District Magistrate to the Sessions Judge. So in that case the wishes of the Assembly have been entirely met. There remains the third case, that is an appeal from a First Class Magistrate. Now Honourable Members will see that even in that case the wishes of the Assembly have been met to a very great extent, that is to say, the normal procedure will be in future that appeals from First Class Magistrates will go to Sessions Judges and not to District Magistrates. The one and only distinction that has been made in this Bill, which is not in accordance with the suggestions of this Assembly, is that the Local Governments, where they think it necessary in districts such as those in Sind where there is a great deal of criminal work, and in those districts only, can, by notification, direct that such appeals will go to the District Magistrate. I think it is not probable that Local Governments will apply this provision in districts which are not very criminal. There are districts in which there is not a very large amount of crime, and in those districts only the appeals will go to the Sessions Judge; but there are districts in which the Sessions Judges have no time to take these appeals. Therefore I do suggest, in the interests of the Local Governments themselves, that this proviso might be allowed to stand. I appeal to Honourable Members that, as in the case of the Racial Distinctions Bill, so in this Bill also they will act in a spirit of compromise and accept this small amendment which will meet the wishes of the Local Governments.

Mr. Harchandrai Vishindas: I move that the question be put.

The motion was adopted.

Mr. President: Amendment moved:

"That this Assembly do insist on clause 109 as amended by the Assembly."

The motion was negatived.

Mr. President: The question is:

"That this Assembly do agree with the Council of State in the said amendment."

The motion was adopted.

Mr. President: Further amendment made by the Council of State:

"That in clause 145 of the Bill in the proposed sub-section (8) of section 526 the words 'prior to the accused entering on his defence' were omitted."

The question is that this Assembly do agree with the Council of State in that amendment.

The motion was adopted.

Mr. President: The question is:

"That this Assembly do agree to the Bill further to amend the Code of Criminal Procedure, 1898, and the Court-fees Act, 1870, as further amended by the Council of State."

The motion was adopted.

THE INDIAN OFFICIAL SECRETS BILL.

The Honourable Sir Malcolm Hailey (Home Member): Sir, I beg to move:

"That the amendments made by the Council of State in the Bill to consolidate and amend the law in British India relating to official secrets be taken into consideration."

As will be seen, Sir, the amendments introduced are small and I think I am correct in saying that they merely give effect to two small amendments that were put forward in this Assembly by a somewhat keen critic of our Bill, but which he did not move. We ourselves thought, however, that it was our duty to move them as rendering the Bill more complete and carrying out generally the ideas which had actuated the Select Committee in dealing with the Bill.

Mr. President: The question is:

"That the amendments made by the Council of State in the Bill to consolidate and amend the law in British India relating to official secrets be taken into consideration."

The motion was adopted.

Mr. President: Amendment made by the Council of State:

"In part (c) of sub-clause (1) of clause 6 of the Bill, for the words 'or uses' the words 'or knowingly uses' were substituted."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

The motion was adopted.

Mr. President: Further amendment made by the Council of State:

"In Part (b) of sub-clause (2) of clause 6 of the Bill, for the words 'neglects or' the word 'wilfully' was substituted."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

The motion was adopted.

THE ABOLITION OF TRANSPORTATION BILL.

The Honourable Sir Malcolm Halley, (Home Member): Sir, I beg to move:

"That the Bill to provide for the abolition of the punishment of transportation in respect of criminal offences be referred to a Select Committee consisting of Rao Bahadur T. Rangachariar, Mr. J. N. Mukherjee, Mr. K. B. L. Agnihotri, Mr. N. M. Samarth, Mr. P. E. Percival, Colonel Sir Henry Stanyon, Munshi Iswar Saran, Chaudhri Shahab ud-Din, and myself."

The circumstances in which I put this motion will no doubt be perfectly clear to the House when it remembers the terms in which a motion for introduction was put forward by Sir William Vincent in September 1921. We are taking action to do away with the punishment of transportation in consequence of the Report of the Jails Committee. As Sir William Vincent explained in introducing the Bill, there was little difficulty on the question of principle. The whole difficulty arose in detail, that is to say, on the Schedules. We then stated that we would place the Bill before Local Governments and take their opinion. Those opinions are now complete, but some of them have only just arrived and we have not therefore had time to circulate them, but we shall place them at the disposal of the Select Committee, if my motion is accepted. I have said before, there is probably no difficulty on the subject of principle. The question of detail presents great difficulties and we therefore wish to have the matter considered in the light of the opinions of Local Governments as soon as possible by a Select Committee. That is the reason why I make this motion at this stage, hoping that the Select Committee may possibly be able to commence its sittings a few days before our session in July next.

Khan Bahadur Saiyid Muhammad Ismail Khan (Patna and Chota Nagpur *um* Orissa: Muhaminadan): Sir, may I have your permission to suggest that two more names be added to the Select Committee, namely, those of Khan Bahadur Sarfaraz Hussain Khan and Rai Bahadur Lakshmi Prasad Sinha. They are both Honorary Magistrates of great experience and if their names be added to the personnel of the Select Committee proposed by the Home Member I am sure they will be of great assistance to the Select Committee.

Mr. President: The question is:

"That the following names be added to the list of Members of the Select Committee, namely, Khan Bahadur Sarfaraz Hussain Khan and Rai Bahadur Lakshmi Prasad Sinha."

The motion was adopted.

The question is that the Bill be referred to that Select Committee.

The motion was adopted.

THE INDIAN MERCHANT SHIPPING BILL.

Mr. President (to the Honourable Mr. C. A. Innes): The motion for the consideration of this Bill to consolidate certain enactments relating to Merchant Shipping has already been passed.

The Honourable Mr. C. A. Innes (Commerce and Industries Member): Yes, Sir.

Mr. President: Will the Honourable Member now move his amendment to clause 4?

The Honourable Mr. O. A. Innes: May I explain, Sir, why I bring this Bill forward again for consideration. I should just like to explain to the House why I have again ventured to place this Bill before the House. The House will remember that last March when I moved that the Bill to amend our Mercantile Marine law should be taken into consideration, I explained that our Mercantile Marine law was contained in no less than 21 different enactments some of them dating back 75 years and many of them overlapping and interlocking in the most complicated and confused way. The result is that our ship-owners, our sea captains, the Maritime Local Governments and the Government of India have the very greatest difficulty in ascertaining the law on any particular point. In addition to that, the law in many respects is out of date. Consequently, when the Statute Law Revision Committee was established, almost the first thing we asked them to take up was the consolidation and amendment of these laws. Well, I believe that they departed in this matter from the usual procedure. Instead of proceeding first with amendment and then going in for consolidation, they decided that, having regard to all the circumstances of the case, in this particular instance consolidation must be taken up first as a condition precedent to amendment; but acting again on the advice of the Statute Law Revision Committee, I did not move last March that the Bill should be passed into law. On the contrary, I suggested that we should be given time to prepare an amending Bill, that the amending Bill should then be placed before the House, and that, at a convenient stage, the amending Bill and the Consolidation Bill should be referred back to a Joint Select Committee in order that a final Bill might be placed before the House. Well, Sir, further experience has shown that it will be a long time before we can place an amending Bill before the Assembly. We have already addressed Local Governments on two matters which will involve an amendment of certain Chapters of this Consolidation Bill. We have also had an officer on special duty in the Department, and we have advanced a considerable way with our amendments to the Bill. But these amendments will require reference to Maritime Local Governments and it will certainly take a considerable time before I am in a position to place final proposals before the House. Consequently, the Statute Law Revision Committee has again addressed the Government of India and has suggested that this Consolidation Bill should be passed into law. They suggest that this Bill, though possibly it contains defects especially in the matter that it does not deal with the registration of ships, is a very useful measure in the clarification of our Shipping Law; and, therefore, acting on the advice of that Committee, I have again brought the Bill before the House.

I now beg to move:

"That in clause 4 for the words 'used for the public purposes' the following be substituted, namely:

'employed otherwise than for profit in the public service'."

This clause, Sir, exempts from the operation of the Act ships belonging to His Majesty or the Government of India and ships belonging to any foreign Prince or State and used for the public purposes of that foreign Prince or State. It has been suggested to us that the words "used for public purposes" are obscure and require clarification, a special point being that certain foreign States, the United States Government and the Australian Commonwealth also, have started State lines of passenger steamers, and it has been suggested to us that there is no reason why these State lines should be exempted from the operation of our Shipping Law. The existing law is also rather obscure on the subject, the actual

[Mr. C. A. Innes.]

phrase used being different in different Acts. We have referred the point to the President of the Statute Law Revision Committee and on his advice we have suggested this amendment. I move that amendment, Sir.

The motion was adopted.

Mr. President: The question is that clause 4, as amended, stand part of the Bill.

Mr. R. A. Spence (Bombay: European): Might I ask the Honourable Member for Commerce, Sir, exactly what the words "or the Government" mean in this clause 4—is it the Government of India?

The Honourable Mr. C. A. Innes: The Government of this country, Sir.

Clause 4, as amended, was added to the Bill.

Clauses 5—16, inclusive, were added to the Bill.

The Honourable Mr. C. A. Innes: Sir, I beg to move:

"That in sub-clause (1) of clause 17, for the words 'Lieutenant, Sub-Lieutenant, Navigating Lieutenant or Navigating Sub-Lieutenant in His Majesty's Navy or of Lieutenant in the Royal Indian Marine,' the words 'Lieutenant in His Majesty's Navy or in the Royal Indian Marine' be substituted."

This is purely a drafting amendment. The clause exempts from the necessity of examination for certificates of competence certain officers of the Royal Navy and the Royal Indian Marine. We are advised that the wording I am now suggesting is necessary in order to bring our law in accordance with the fact.

The motion was adopted.

Clause 17, as amended, was added to the Bill.

Clauses 18 to 92, inclusive, were added to the Bill.

The Honourable Mr. C. A. Innes: Sir, I beg to move:

"That in clause 93 for the word 'revocable' the word 'irrevocable' be substituted."

I am here, Sir, correcting a printing error. This clause is based on section 73 of the Indian Merchant Shipping Act of 1879 and by a printing mistake they have put in the word "revocable" instead of "irrevocable."

Sir Montagu Webb (Bombay: European): In my copy of the Bill the word "irrevocable" duly appears.

The Honourable Mr. C. A. Innes: I think the explanation of that, Sir, is that the Legislative Department thought they might possibly treat this merely as a printing error, but afterwards decided that the amendment ought to be brought before the House. In the original copy of the Bill as placed before the House the word is "revocable." I think that is the explanation.

The motion was adopted.

Clause 93, as amended, was added to the Bill.

Clauses 94 to 296, inclusive, were added to the Bill.

Schedule I was added to the Bill.

Schedules II, III, IV and V were added to the Bill.

Clauses 1, 2 and 3 were added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Mr. C. A. Innes: Sir, I beg to move:

"That the Bill as passed by the Council of State and as amended by this Assembly be passed."

The motion was adopted.

THE INDIAN PENAL CODE (AMENDMENT) BILL

The Honourable Sir Malcolm Hailey (Home Member): Sir, I beg to move:

"That the amendment made by the Council of State in the Bill to give effect to certain Articles of the International Convention for the Suppression of the Traffic in Women and children, be taken into consideration."

As the House will see, the amendment consisted merely in introducing the commencement clause as to the necessity of which, and I hope the justification for which, I previously addressed the House in asking for the passing of this Bill.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, I am still in doubt as to the object the Government have in view with regard to this matter. I take it, Sir, that the clause has been inserted in order that time may be given to the Honourable the Home Member to ascertain from the Local Governments their view on the amendment which we adopted. Supposing, Sir, it happens that Local Governments are against raising the age from 16 to 18, does it follow that the Act itself will not be brought into force at any time? This clause says simply:

"It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint."

There is no obligation apparently on the part of Government to bring it into force at any time. Supposing on the receipt of opinions, the Government of India is convinced that the Local Governments are opposed to the raising of the age from 16 to 18, is it the intention of Government not to bring the Act into force at all? If that is the object, the result will be this, that although we have passed the Act here the Government by executive order may never bring it into force. That will be the situation which would arise by the amendment made in the other House. I should like to know what the view of Government would be in case the Local Governments are opposed to the raising of the age from 16 to 18.

The Honourable Sir Malcolm Hailey: The purpose of the commencement clause is not that which Mr. Seshagiri Ayyar has suggested. It is that we may have an opportunity of consulting Local Governments and the public with regard to the action which should be taken not only in respect of this one new clause in the Indian Penal Code but in regard to the effect which its addition would have on existing sections of the Code. We wish to have an opportunity of consulting Local Governments and local bodies on both questions. Now he asks me what would happen if public opinion—he says the Local Governments, but I am going to say, if I may, instead, public opinion—is opposed to the raising of the age as originally proposed in our Bill from 16 to 18. I ask him in return, would there not be an obligation on us, if public opinion really were against this, to bring the matter before the Legislature again? A commencement clause was necessary, first, in order that we might have an opportunity of such consultation; and that such consultation is required in view of the effect of the

[Sir Malcolm Hailey.]

new Bill on the existing clauses of the Indian Penal Code I think every one here will admit. Now, what would have been the alternative? The alternative would have been to ask the Governor General not to give his assent to the Bill until such consultation had taken place—an undesirable alternative. It is far better that it should be effected in this natural and constitutional way. As for the future, Sir, I cannot of course bind myself here. If we find that there is a general feeling in favour of raising the age to 18 throughout the Indian Penal Code, if that is a very general feeling throughout India, we should have no hesitation in coming up on the subject to the Legislature. That is one possibility. The other possibility is that there may be an equally strong feeling on the other side. It is suggested that if we find that feeling so strong, and if, therefore, in consequence of it we do not bring the Bill into operation at all, then . . .

Mr. T. V. Seshagiri Ayyar: Suppose the opinions are equally balanced?

The Honourable Sir Malcolm Hailey: The Honourable Member is presenting me with a conundrum so difficult that I cannot at present see an answer to it, for I find it difficult to assume that opinion can be really equally balanced on a question of this nature. However, at present I am on the alternative suggested by the Honourable Member himself, namely, if opinion were strongly against the proposed general raising of the age I am afraid that I should be inclined to give the Governor General the advice that, if public opinion were really seriously against the Assembly on this matter of social legislation, if it were seriously against the Assembly—I am not using the word lightly—that he should refuse his assent to the Bill. I am afraid, that if public opinion were seriously against the Assembly—and I say again seriously—I should give the Governor General the advice not to put the Bill into operation until those who were in favour of the change from 16 to 18 had persuaded public opinion that it was wrong. That, I think, is a perfectly reasonable and logical position, and the only one consistent with our own responsibility. I do not think that anybody can complain if an executive government, on whom after all the burden of carrying a measure of this sort into effect must rest, should have some consideration of what would happen if there were wide popular opinion expressed against a measure which the Legislature had passed. That is the position, Sir. I have tried to put it perfectly frankly. But for the present I do not think the Honourable Member need envisage the further possibilities that he has suggested. For the present all we want is an opportunity of consideration.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhamadan Urban): Sir, I was rather surprised at the question put by my Honourable friend to my left who is here to press public opinion always; his question rather suggests a lurking feeling that in this matter public opinion may assert itself against the advanced social reformers who are responsible for the passing of this measure in this Assembly. If that is not the fear, then we need not be afraid of public opinion. (*Mr. T. V. Seshagiri Ayyar:* "I am not afraid.") I am glad to hear that my Honourable friends are not afraid of public opinion. But there is a great deal of necessity for taking public opinion in this matter, for the very simple reason that we are taking the public by surprise by this measure. When this Bill was introduced it was introduced to suppress white slave traffic. Let us remember that. The public paid no more attention to it, because it concerned white slaves, and not brown slaves. If . . .

Mr. J. Chaudhuri (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): On a point of order, my friend is not correct.

Mr. President: That is not a point of order. If the Honourable Member wishes to correct Mr. Rangachariar he can do so later. If Mr. Rangachariar chooses to give way, he may do so, but he is in possession of the House.

Rao Bahadur T. Rangachariar: Sir, I am perfectly in order. I know the contents of the Bill as it was put forth to the public; it was a Bill, as it was introduced, to suppress white slave traffic in this country; the public therefore did not care what provision you enacted. They wanted to suppress white slave traffic and they were quite willing to have it suppressed; you may put any age you like, 21 or 25; they did not care about it. But, Sir, this Bill has now assumed a new shape in that you have enacted a new provision concerning a domestic crime, a crime committed inside the country, with reference to people in the land. Of this the public had no notice; of this the public had no opportunity to give expression to their views. Therefore, Sir, I think Government are acting with a full sense of responsibility in saying that they will consult public opinion before they put this into force. Sir, when the Government say "we want to consult public opinion," that we, the representatives of public opinion, should cry against it seems to me an enigma.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadan): Sir, as I was the first on the last occasion to raise a question which involved a constitutional issue, may I once more ask the House to consider what position they would be put in if they consent to the course suggested by the Honourable the Home Member. We have already a second chamber; the Honourable the Home Member wishes now to introduce a third chamber, the Chamber of public opinion. (*Cries of "Hear, hear."*)

The Honourable Sir Malcolm Hailey: I acknowledge the compliment, Sir.

Dr. H. S. Gour: Now, Sir, I ask Honourable Members what is public opinion and how do the Government collect public opinion? Are there any written rules about it? Is there any constitutional way of gathering public opinion? There is no referendum, no plebescite; the public letter is a letter drafted by the Home Department to the Local Governments with a direction to consult such bodies or persons as the Local Governments may deem fit. The Local Governments thereupon collect the opinions of such bodies and persons as they think fit; these opinions are then collected in the offices of the Local Governments and transmitted with the opinions of the Local Governments themselves to the Home Department. There they are digested, summarised and laid before the Home Member. Afterwards the thing passes out of the sight of man into the inner cabinet of the Government of India; that is public opinion. There is no constitutional way of collecting public opinion, and the history of the last twenty years shows that whenever Government have collected public opinion, public opinion has always sided with the Government. I give you a few examples. When the question of mass education was agitating the late Imperial Legislative Council, the Honourable Mr. Gokhale pressed for free and compulsory mass education. That motion was opposed by the Government. Afterwards they acceded to the wishes of that House and said that they will consult public opinion. Honourable Members will be surprised to hear that the public opinion collected by the Home Department was universally against free primary education

The Honourable Sir Malcolm Hailey: Compulsory.

Dr. H. S. Gour: Yes.

The Honourable Sir Malcolm Hailey: And that is exactly the position at the present day in most provinces.

Dr. H. S. Gour: There are numerous examples where public opinion, the so-called public opinion, collected in the manner in which it is done, has not voiced the true sentiments of the people of this country.

Mr. President: The Honourable Member is straying away from the motion before the House. After all, this is the arena of public opinion.

Dr. H. S. Gour: I therefore submit that the setting up of another tribunal, another body, to revise and correct the proceedings of this House is unconstitutional. It is not provided by any part of the written law. The Honourable the Home Member says that under the Act this Bill cannot become law unless it is assented to by the Governor General. That is a constitutional position, and the Governor General is entitled to withhold his assent which he may do on a sufficient cause shown. I submit that is a sufficient safeguard against any hasty or ill-advised action taken by this House in the matter of social or other legislation. Why do the Government now wish to forge another weapon and add it to their already too powerful armoury? You had an example this morning of the deliberate opinion recorded by this House, modified in another place, and, as an Honourable Member put it, thrust down the throats of this House at the point of the bayonet. Well, Sir, that is bad enough, but it would be much worse if the ram rod of public opinion is to be thrust into the delicate machinery of the Central Legislature. I therefore submit that we should not submit to this departure from the established constitution which gives Government sufficient safeguards against ill-judged and hasty legislation, and we should not give the Government the power of withholding their assent or of indefinitely postponing the commencement of a measure passed by the two Houses. Sir, it is a dangerous precedent; it is unconstitutional; it is unworkable, and I submit there is no machinery which this House has prescribed or accepted for the purpose of collecting public opinion—public opinion of what classes, of what persons, of my friend Mr. Rangachariar? If his opinion is to guide social legislation we shall have to wait till the Greek kalends before any advance is made in this direction. When we were told that we do not want this piece of legislation because it does not suit a certain class of landholders in my friend's presidency who would be prejudicially affected if the age of consent is raised from 16 to 18 [*A Voice* (from the Madras Benches): "It is not true"]—that was his plea, that was his statement, that was his sole justification for resisting this motion. He is now prepared to trample under foot the established rules of constitution merely because he thinks that this is a fine moment for postponing the bringing into operation of this most salutary piece of social legislation. My friend must remember that he may get an immediate advantage, but at what cost? He is sacrificing a principle which might hereafter be used against this Legislature. Some of his pet schemes might pass through in both the Houses, and yet the Government may say, 'we are not bound to enact these into law until

we have consulted public opinion.' Remember, then, that it is a weapon which might be used as much against my Honourable and learned friend, as against the social reformer. I therefore ask, Sir, that this House should not give its assent to a departure from the ordinary constitution and reinforce the executive Government who may, upon what they consider to be public opinion, refuse to bring into operation a measure which we have passed and which has passed the other Chamber. I ask, Sir, do not Honourable Members know, do they not realise that in a vast body of opinions collected there are bound to be opinions some for and some against social legislation? All social legislation cannot be supported by the unanimous voice of the people. It must of necessity be supported by people who believe in the utility of social advancement. Conservatives and those who desire to make no advance will always oppose any movement directed towards the amelioration or advancement of their fellow-men. I therefore submit, are you to leave to this unsafe judgment of the executive as to what they consider to be public opinion on a matter of this great national importance? In the printed compilation which was presented to the Members of this House in connection with this measure, has not this question been thrashed out in all its details? (*A Voice*: "No.") My friend Mr. Rangachariar said that the public were misled into thinking that this had something to do with the White Slave Traffic. I deny that state-

ment. If Honourable Members will turn to any page of that compilation they will find that all the public bodies and Associations were dealing with, not the International Convention, but the specific amendments of the Indian Penal Code, and they were asked whether the age should be limited to 16 or extended to 18 or 21. This question, Sir, was the subject of a debate in this House, and surely, intelligent public opinion, if it follows the debates in this House and in the other House, could not be unaware of the true nature of the reform that Members of this House then desired and have since enacted by a measure of legislation. I therefore submit that it would be creating an abnormal and dangerous procedure if this House in a moment of weakness, in a moment of supine indifference, were to allow the Government to seize hold of an advantage by referring to what they call public opinion, a question upon which our voice, the voice of the constituted representatives of the people should be final and should not be open to further revision.

Then, Sir, my friend the Honourable Mr. Rangachariar said, you need not be afraid of public opinion, the public have been taken by surprise. I have answered both those questions. My learned friend does not disguise his real sentiments. (*Rao Bahadur T. Rangachariar*: "Never does.") He never does, he says. But whether he ever does or not, on this occasion his intention is manifest. He is prepared to oppose this measure by hook or by crook. I do not know, Sir, as he said the other day, whether that crook is going to be a straight one. I have a shrewd suspicion that it is not. But whether this measure is to be opposed by Mr. Rangachariar by, for the time being, lending his support to the Honourable the Home Member or not, I appeal to this House for the sake of its own dignity, for the sake of the constitution which it is called upon to work, and lest dangerous precedents should be created, to resist this additional power which the Honourable the Home Member wishes to confer upon the executive Government. I submit, if the existing constitution gives the Governor General the power, and that power is being enlarged because the Governor General cannot indefinitely withhold his

[Dr. H. S. Gour.]

assent to a measure of legislation passed by the two Houses (*The Honourable Sir Malcolm Hailey*: "Why not?") If he can I do not see, Sir, why you should not rely upon that power and why you should add a commencing clause. Please justify it yourself. I do not understand it. If the Governor General possesses the power under the existing law to withhold his consent and he can withhold it for any length of time, then I ask, why have you inserted this commencing clause? What is the real object? Why do you not avail yourself of it? No explanation of it has been given, and I submit, in the absence of explanation, I feel suspicious that this clause will unduly enlarge the power of the Government to refuse to extend the operation of an Act which would otherwise be extended if the Government had the power merely to advise the Governor General to withhold his assent.

On these grounds, Sir, I oppose the commencing clause.

Mr. President: The question of the assent of the Governor General is not a proper thing to be brought in here. It is part of the constitution that laws are passed by the Indian Legislature, which is composed of the two Chambers and of the Governor General for that purpose. Here the sole question in issue is whether the Governor General in Council, that is, the body commonly described as responsive to this Chamber, is to be given a discretion in the choice of the date when this measure is to come into force.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, I rise to support my Honourable friend Dr. Gour. This, Sir, seems to be a day of surprises. During the course of the last few hours the Honourable the Home Member seems to have developed a very wonderful love for the public opinion of this country. It was only yesterday that he appealed to the Members of this House that, in order that they should do what he considered to be just and right, they should flout the opinion of their constituencies and follow the Honourable the Home Member's lead. Sir, to-day he wants the Honourable Members to consult public opinion, not the public opinion as represented by this House, but as represented by some other organizations in the country. I do not know which organizations he referred to. Did he refer to the Indian National Congress? Does he consider that the Indian National Congress or any other Congress is more representative of public opinion than this body. Sir, my second surprise is that my Honourable friend Mr. Rangachariar, who I thought had some opinion of this Assembly as a representative body, has shown to-day that he has no respect for the representative character of this Assembly. (*Rao Bahadur T. Rangachariar*: "Not in social matters.") Sir, he says, not in social matters. If he considers this Assembly to be a representative body for legislation then it is as representative of public opinion in social legislation as in any other legislation. (Hear, hear.) Sir, my Honourable friend Mr. Rangachariar said we need not be afraid of public opinion. Certainly I am not. I am quite sure if you go to the public again public opinion will support the view which I have put forward on two previous occasions. But that is not the question. I feel that this Assembly represents public opinion in India more than any other body in this country. I am not prepared to accept the verdict of public opinion in this country as represented by any other body. That is the

reason why I support my Honourable friend Dr. Gour. Sir, if public opinion has not been consulted, whose fault is this? It is more than a year since this question was discussed by this Assembly. When it was brought forward first in this Assembly a large section of this House expressed its views on certain matters. The Government of India knew that they were going to bring forward a Bill to give effect to the Convention. They consulted the Local Governments and the Local Governments have consulted public opinion. We do not know on what points public opinion was consulted. Unfortunately, I have not got here the letter which the Government of India wrote to the Local Governments and to organizations representing public opinion. If we had that letter before us we would know on what points public opinion was consulted. Sir, I think that public opinion was consulted on the main question before us, and if it was not consulted it is not our fault but the fault of the Government of India. And I also feel that this House should not accept the main amendment which the Council of State has made. What is the use of that amendment? If the Government of India is against the Bill, let them advise the Governor General to withhold his assent to that Bill. If the Government of India is in favour of this section but the Government of India want to consult public opinion as regards the raising of the age from 16 to 18 in other sections of the Penal Code, then the way open to Government is to allow this Bill to be passed and then to consult public opinion as regards the change of age from 16 to 18 in the other sections of the Penal Code. I assure the Government of India that I shall give my fullest support to that proposal of theirs if they come forward with such a proposal at all. Therefore, I think, if this House accepts the amendment made by the Council of State, it will stultify itself in the first place as being an unrepresentative body, and in the second place as showing by their own vote that they had made a mistake. I therefore hope that this Assembly will do nothing of the kind and throw out the amendment made by the Council of State.

Mr. S. C. Shahani (Sind Jagirdars and Zamindars: Landholders): Sir, I also rise to support what has been stated by the Honourable Dr. Gour. In matters of social legislation we feel very reluctant to be guided in any manner by my Honourable friend Rao Bahadur Rangachariar. I trust that the House will not be misled on this occasion by my friend whom I have just now mentioned. It is only reasonable that a measure that has been passed by this House should receive better consideration. After it has been passed, that it should be referred to certain bodies for an expression of opinion which is to be deemed public opinion, this procedure is reprehensible; I daresay that this procedure is not being adopted anywhere else, and this is a novel procedure intended to defeat the measures that found any favour with this House. With these remarks, I resume my seat.

Rai Bahadur Bakshi Sohan Lal (Jullunder Division: Non-Muhamadan): Sir, I have to ask one question. May I specially ask for the rule or order under which a Bill may be circulated for public opinion after it has been concurrently passed by both the Chambers of the Legislature, and also what would be the fate of this Bill, which has been passed by both the Houses, if the public opinion is not collected before the end of this Session, which is quite close, and if the Home Member does not like to move under order 4 (2) given at page 29.

Mr. President: The word 'opinion' has been used in a somewhat confusing sense. There is the purely official and technical sense in which the phrase 'eliciting opinion' is used. That consists—I am not sure that I accept Dr. Gour's description of it as exact, but I accept it as a roughly accurate description—of the process by which Government consults Local Governments, High Courts and certain other constituted authorities regarding the applicability of a measure in certain circumstances. The Honourable Member is thinking of something totally different; he is thinking of consulting the friends of the Honourable Members below him and other persons supposed to represent a certain state of social opinion. The point at issue here is whether the Government is to have a discretion in applying this; and the Home Member has put forward the plea that the Government ought to have such discretion, because it wishes to assure itself regarding the general state of opinion on this subject in the provinces. There is no real point of order that can be raised here.

Rai Bahadur Bakshi Sohan Lal: The Standing Order has not been noted, as I asked, under which any matter connected with the Bill is to be referred to

Mr. J. Chaudhuri: Sir, may I ask the Honourable Sir Malcolm Hailey to remove some misapprehension? My friend, Mr. Rangachariar, said that the measure was called white slave traffic, but is it not the case that this measure was brought first in the form of a Resolution before this House which related to the International Convention, and then, it was distinctly stated that it was not merely the white slave traffic which came within the scope of the Convention but it related to traffic in women and children generally? I would further ask if the object of the circulation of this Bill is not only to ascertain opinion on this particular measure but also with regard to the raising of the age-limit in the cognate sections of the Indian Penal Code, which are not before us? I do not oppose, Sir, the decision of the Government, for this reason that if the cognate sections of the Indian Penal Code are modified in the light of this, of course, that too will be in the interest of social reform or rather protection of women and children. And the third question that we raise is, is not the scope of this Bill independent of the consent of the person who is procured? In the Indian Penal Code, if anyone procures another without her or her guardian's consent, for immoral or illicit purposes, then only the person procuring will be punishable. The International Convention is different from the scope of the existing provisions of Indian Penal Code, inasmuch as it would punish the procurer irrespective of any such consent. Those are the three points that I would like the Honourable Member to clear up.

The Honourable Sir Malcolm Hailey: Sir, I am astonished to hear that to-day is a day of surprises. When I moved for the final passing of this Bill, dealing perfectly frankly with the House, I said that I intended to secure, if I could, the insertion of a commencement clause. I explained the reason, and the House, with full knowledge of that, passed the Bill. Where then have I sprung a surprise on an astonished House? It knew all about it from the very first (*Mr. N. M. Joshi:* "Your love of public opinion, that was the surprise.") And it agreed from the first. It is only

when the Bill comes back again, that some reason is found for what Dr. Gour described as a suspicion. Well, I hope that we may in the future manage to take such a course as may avoid arousing suspicion in Dr. Gour's breast,—for those suspicions seem to take an unconscionable time to explain, and to involve a good deal of fervent language. 'Unworkable, unconstitutional, flouting the Assembly'—all that arises out of a little suspicion. Now, Sir, let me first, before I proceed to deal with those suspicions, deal with his facts, or may I rather say, his mis-statements. He said that the exact terms of the Indian Penal Code amendment which would be necessary had been placed before the public, and that that fact was fully shown in the opinions recorded in the mass of correspondence that was placed before Members. Well, I have here the original documents; they do not, as the House will see, constitute a mass of correspondence. The terms on which the matter was placed before Local Governments and the public are here; the letter began by reciting the fact that we had acceded to the International Convention for the suppression of the traffic in women and children and the like. It referred to the Resolutions that were brought forward in the Council of State and in the Legislative Assembly. It mentioned that Mr. Joshi pressed for the acceptance of the convention at the age accepted by other countries, that is 21 years, and lost that motion by 8 votes. On the other hand, it pointed out that Dr. Gour thought that the age should be 18 instead of 16. It stated briefly the objections to that change in the age which were voiced in the Assembly. It said in conclusion that as a result of the opinions received, necessary steps would be taken to draft the sections that were required in the Indian Penal Code. It is, therefore, incorrect to say that the public had before it the amendments of the other sections of the Indian Penal Code which are now involved; and Mr. Rangachariar was perfectly correct in saying that no one has yet been consulted on the effect—the net effect—which this amendment would have on the remaining sections of the Indian Penal Code. He is further perfectly correct—the House will know how much it goes to my heart to have to agree with Mr. Rangachariar—in saying that one object of introducing a commencement clause was to give us an opportunity of consulting not only with regard to the age which should be taken for this particular offence, but for the remaining and more serious offences in the Indian Penal Code. We sought an opportunity in fact to deal with the question as a whole, and if possible to avoid the surprising illogicality that the age of 18 should apply to what will strike most people as a comparatively minor offence while the age of 16 would apply to some of the gravest offences which a man can commit. (Voices: "Why pass this measure?") (Dr. H. S. Gour: "Don't pass this measure.") Don't pass the Bill. In effect, I am only seeking delay in bringing it into operation. Sir, this measure, which was accepted by the House by a majority of three, after they had originally thrown out a somewhat more strenuous attempt to raise the age of majority on the part of Mr. Joshi, is now described by Dr. Gour as so sacrosanct that we must consult nobody any further on the subject. He says that public opinion has been sufficiently ascertained already in these opinions. Let me say that if anybody will refer again to those papers,—he will find that it was a matter which aroused very little public interest at the time, owing no doubt to the fact that it seemed to deal at first sight purely with external traffic.

Rao Bahadur T. Rangachariar: And I think we gave the title "White Slave Traffic" in our Bill.

The Honourable Sir Malcolm Hailey: It had that title undoubtedly.

Dr. H. S. Gour: May I point out in this connection that Sir Reginald Craddock introduced a similar measure at the instance of the Honourable Mr. Dadabhoy in the old Council and the matter has been before the public since the last 10 years.

The Honourable Sir Malcolm Hailey: Yes, Sir, and the late Council would not have it. That is the case. The particular proposal contained in this Bill was undoubtedly introduced to the public—don't let us blind ourselves to the facts—under the title of the White Slave Traffic, and that is the reason why it received so little examination on the part of the various people to whom it was submitted; and indeed many of the opinions recorded turn entirely on the question of the age which should be taken in penalising the procurement of girls from outside India. But, Dr. Gour adds that it is no matter if public opinion was not sufficiently ascertained before; there is no other standard of public opinion than this House. I can very well understand a gentleman in Dr. Gour's somewhat peculiar position objecting to the collection and the recording of public opinion. He has had a somewhat sad experience. He exhibits in his own case an almost theological hatred of other people's opinion when directed against a measure to which he is devoted. I can understand that in his case the experience is such that it does not incline him to go to the public again. I have a great admiration for those social reformers—there are some in India but more perhaps in Europe—who live and work among the classes adversely affected by our social organisation and seeks to ameliorate their conditions. I have somewhat less admiration for the social reformer whose chief efforts are in the Legislature, not that I object to anybody taking legislative action, but because he himself does little to prepare the ground for the steps which he wishes to carry into legislation. But I have always noticed with regard to your social reformer that he is as a rule peculiarly unresponsive in regard to other people's opinion. When he has once made up his mind on the desirability of a measure, then nobody else is right and nobody else has a right to say a word. That is exactly the case here. By a majority of some 3 Members, the party which wished this reform in the Legislative Assembly has secured the passing of the Bill, and, as far as I can see, their one object now is to prevent anyone else throughout India having a word to say on the subject. (*Voices:* "No.") That, I think, is an attitude which hardly redounds to their credit, and indeed, I think, many of the opinions which they have used here to-day on the subject of the undesirability of Government consulting public opinion, will strike the outside world in a somewhat curious light. (*Sir Dena Prasad Sarvadikary:* "There is no *they* in it. It is singular.") The final question has been asked us, "Why, if you think it wrong yourselves to introduce this Bill without further delay and consideration, why don't you advise the Governor General to refuse his assent to it?" I have explained before that I am quite prepared to advise the Governor General to refuse his assent to it. (*Voices:* "Do so.") But this, I consider, is a far more desirable way of effecting what we want. After all, when the Governor General has refused his assent to the Bill that refusal cannot subsequently be withdrawn. The Bill goes; but by the process I suggest we keep it alive. I think that in itself ought to be a sufficient answer to those who would have us place the whole responsibility on the Governor General. As I say, that in itself should be a sufficient answer to those objections.

(Voices: "No.") But if it is not a sufficient answer let me quote to Honourable Members the fact that in a very considerable number of the Bills which we have introduced in the Legislature, there is a commencement clause. There is no novelty about it whatever. It is one of the commonest of devices of legislation, and indeed

Rao Bahadur T. Rangachariar: We did it the other day in the Racial Distinctions Bill.

The Honourable Sir Malcolm Hailey: You have done it in the Racial Distinctions Bill and in the Criminal Procedure Code; you have done it to-day in yet another Act. My friends, who are a little better acquainted with drafting of legislation than I, could probably recite you the names of a hundred Acts with a similar beginning. Simply because we wish to take this very ordinary procedure in this case we are treated at once with suspicion. We are told that we have broken through every constitutional safeguard and the most extraordinary exaggeration is used in speaking of our proposal. This last is perhaps the worst. We are told that we should invoke the power of the veto powers of the Governor General merely in order to delay the operation of a Bill about the effect of which we wish to inquire. That is, we are invited to use the heaviest machinery of the State in order to effect a purpose which can be equally well achieved by the very simple, very ordinary and the entirely constitutional device which I have placed before the House.

Mr. Pyari Lal (Meerut Division: Non-Muhammadian Rural): I am sorry to observe that the Honourable the Home Member has invited all this hostile criticism by his 'over-honesty.' If he had not stated in the very beginning that he was going to elicit public opinion on the point, we would not have said anything about it, and if this commencement clause were introduced just as it was, that is, silently, there would have been an end of the matter. But the difficulty arises from the fact that he states that he is going to consult public opinion now after we have passed the Act. What Dr. Gour says is that this is unconstitutional. Surely, we are putting the cart before the horse. If public opinion was to be invited, it ought to have been done before the Bill came to be considered and passed by this Assembly. That stage is long past. Let the Honourable the Home Member keep his own ideas to himself of what he means to do before allowing this Bill to have force. It is I suppose perfectly open to him, as Home Member, to ask for any information that he likes and this Assembly need not know it, and he may postpone its enforcement for five or ten years or for any length of time he likes. It is perfectly in his power to do so.

Mr. R. A. Spence (Bombay: European): I move that the question be put.

Mr. President: Amendment made by the Council of State:

" Clause 1 was re-numbered sub-clause (1) of clause 1, and to that clause the following sub-clause was added, namely:

' (2) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint '."

The question is that this Assembly do agree with the Council of State in that amendment.

The Assembly divided :

AYES—67.

Abdul Quadir, Maulvi.
 Abdulla, Mr. S. M.
 Abul Kasem, Maulvi.
 Achariyar, Rao Bahadur P. T.
 Srinivasa.
 Ahsan Khan, Mr. M.
 Aiyar, Mr. A. V. V.
 Akram Hussain, Prince A. M. M.
 Allen, Mr. B. C.
 Ayyangar, Mr. M. G. M.
 Basu, Mr. J. N.
 Bhanja Deo, Raja R. N.
 Bhargava, Pardit J. L.
 Blackett, Sir Basil.
 Bradley-Birt, Mr. F. B.
 Bray, Mr. Denys.
 Bridge, Mr. G.
 Burdon, Mr. E.
 Cabell, Mr. W. H. L.
 Chatterjee, Mr. A. C.
 Chaudhuri, Mr. J.
 Clark, Mr. G. S.
 Cotelingam, Mr. J. P.
 Crookshank, Sir Sydney.
 Dalal, Sardar B. A.
 Das, Babu B. S.
 Faridoonji, Mr. R.
 Ghulam Sarwar Khan, Chaudhuri.
 Gidney, Lieut.-Col. H. A. J.
 Ginnwala, Mr. P. P.
 Haigh, Mr. P. B.
 Hailey, the Honourable Sir Malcolm.
 Hindley, Mr. C. D. M.
 Holme, Mr. H. E.

Hullah, Mr. J.
 Ikramullah Khan, Raja Mohd.
 Innes, the Honourable Mr. C. A.
 Jamall, Mr. A. O.
 Jannadas Dwardkadas, Mr.
 Jejeebhoy, Sir Jamsetjee.
 Kamat, Mr. B. S.
 Ley, Mr. A. H.
 Lindsay, Mr. Darcy.
 Misra, Mr. B. N.
 Mitter, Mr. K. N.
 Moir, Mr. T. E.
 Moncrieff Smith, Sir Henry.
 Muhammad Hussain, Mr. T.
 Muhammad Ismail, Mr. S.
 Mukherjee, Mr. J. N.
 Percival, Mr. P. F.
 Pyari Lal, Mr.
 Ramji, Mr. Manmohandas.
 Rangachariar, Mr. T.
 Rhodes, Sir Campbell.
 Samarth, Mr. N. M.
 Sams, Mr. H. A.
 Sarfaraz Hussain Khan, Mr.
 Singh, Babu B. P.
 Singh, Mr. S. N.
 Sinha, Babu Ambica Prasad.
 Spence, Mr. R. A.
 Srinivasa Rao, Mr. P. V.
 Subrahmanayam, Mr. C. S.
 Townsend, Mr. C. A. H.
 Ujagar Singh, Baba Bedi.
 Vishindas, Mr. H.
 Webb, Sir Mcntagu.

NOES—22.

Asjad-ul-lah, Maulvi Miyan.
 Ayyar, Mr. T. V. Seshagiri.
 Bagde, Mr. K. G.
 Barua, Mr. D. C.
 Gour, Dr. H. S.
 Iswar Saran, Munshi.
 Jafri, Mr. S. H. K.
 Jatkari, Mr. B. H. R.
 Joshi, Mr. N. M.
 Lakshmi Narayan Lal, Mr.
 Latthe, Mr. A. B.

Man Singh, Bhai.
 Mudaliar, Mr. S.
 Nabi Hadi, Mr. S. M.
 Nag, Mr. C. C.
 Neogy, Mr. K. C.
 Reddi, Mr. M. K.
 Sarvadhikary, Sir Deva Prasad.
 Schamnad, Mr. Mahmood.
 Shalhani, Mr. S. C.
 Sohan Lal, Mr. Bakshi.
 Venkatapatiraju, Mr. B.

The motion was adopted.

Mr. President: Further amendment made by the Council of State in the Indian Penal Code (Amendment) Bill :

" The following clause was added after clause 3 :—

' 4. In the Second Schedule to the Code of Criminal Procedure, 1898, after the Amendment of Schedule II, Code of entry relating to section 366 of the Indian Penal Code the following entries shall be inserted, namely :—

366 A	Procuration of minor girl.	May arrest without warrant.	Warrant	Not bailable.	Not comm-poundable.	Imprisonment of either description for ten years and fine.	Court of Session.
366 B	Importation of girl from foreign country.	May arrest without warrant.	Warrant	Not bailable.	Not comm-poundable.	Imprisonment of either description for ten years and fine.	Court of Session."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

The motion was adopted.

STATEMENT OF DEMANDS REFUSED BY THE LEGISLATIVE ASSEMBLY AND RESTORED BY THE GOVERNOR GENERAL IN COUNCIL.

The Honourable Sir Basil Blackett (Finance Member): Sir, in pursuance of Standing Order No. 73, I lay on the table a statement showing the action taken by the Governor General in Council in pursuance of section 67A (7) of the Government of India Act in regard to certain demands for grants which have been refused by the Legislative Assembly and are regarded as essential to the discharge of his responsibilities. It is just a formal statement:

"In pursuance of section 67A (7) of the Government of India Act the Governor General in Council is pleased to declare that the following demands which have been refused by the Legislative Assembly are essential to the discharge of his responsibilities, namely:

Number of demand.	Service to which demand relates.	Amount of demand refused by the Legislative Assembly.
8	Railways—Working Expenses	Rs. 1,14,00,000
44	Miscellaneous—Public Services Commission	3,07,000

E. M. COOK,

The 28th March, 1923.

Secretary to the Government of India."

ELECTION OF MEMBERS FOR THE PUBLIC ACCOUNTS COMMITTEE.

Mr. President: Before adjourning, I would invite the attention of the Assembly, particularly the non-official Members of the Assembly, to the fact that at the end of the business to-day an election of Members to serve on the Committee on Public Accounts has been set down. Eight Members have to be elected by a procedure which ought by now to be familiar to Members. The following candidates have been proposed for election to the Committee:

Mr. Braja Sundar Dass,
 Mr. B. N. Misra,
 Mr. N. M. Joshi,
 Mr. Syed Nabi Hadi,
 Mr. Ambica Prasad Sinha,
 Mr. K. Ahmed,
 Mr. K. G. Bagde,
 Mr. K. C. Neogy,
 Rao Bahadur P. V. Srinivasa Rao,
 Sardar Gulab Singh,
 Rai Sahib Lakshmi Narayan Lal.

I may also remind Honourable Members that the ballot for Resolutions to be set down for Saturday will take place during the luncheon interval.

THE INDIAN FINANCE BILL.

Mr. Jamnadas Dwarkadas (Bombay City: Non-Muhammadan Urban): Before you adjourn, Sir, I should like to put one question to the Honourable the Leader of the House with regard to procedure. We are informed that in the other House the Finance Bill has been laid on the table as a recommended Bill. What will be the exact procedure which will come into effect now? Will the Bill at all come back to this Assembly. We should like to know this, because some of us are rather anxious to get away. As there is not much time before us, I should like to know from the Honourable the Leader of the House if the Bill is likely to come back to this Assembly.

The Honourable Sir Malcolm Hailey (Home Member): I will take it from the Honourable Member that such a recommendation has been made. I must take the facts from him.

Mr. Jamnadas Dwarkadas: I am only informed of this; I do not know whether it is true.

The Honourable Sir Basil Blackett (Finance Member): Sir, I can confirm the fact.

Mr. President: The Honourable Member cannot expect an answer to a hypothetical question.

Mr. Jamnadas Dwarkadas: The Honourable the Finance Member has confirmed the fact.

The Honourable Sir Malcolm Hailey: In these circumstances I can only refer the Honourable Member to section 67B of the Government of India Act from which it will be clear that if the recommended Bill is passed by the Council of State it will have to come back to the Assembly.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): When will the other House take up the Finance Bill?

The Honourable Sir Malcolm Hailey: On Friday, and our intention is to bring it back to this House on Monday.

The Assembly then adjourned for Lunch till Three of the Clock.

The Assembly re-assembled after Lunch at Three of the Clock. **Mr. President** was in the Chair.

THE MALKHARODA AND GAONTIA VILLAGES LAWS BILL.

The Honourable Sir Malcolm Hailey (Home Member): Sir I beg to move:

"That the Bill to declare the law in force in certain territories of the district of Sambalpur and to provide that the past administration of those territories shall not be called in question on the ground that they were not included in the territories administered by the Government of the Central Provinces, as passed by the Council of State, be taken into consideration."

The object, Sir, of this Bill will be sufficiently clear to the House in the Statement of Objects and Reasons, and indeed I think that if I were to attempt to add to that Statement of Objects and Reasons by any verbal statement of my own, I might perhaps add great complexity to what is

already, as I am sure the House will feel, a sufficiently complicated question.

Babu Braja Sundar Das (Orissa Divisions: Non-Muhammadan): Sir, I beg to oppose the consideration of this measure on the following grounds. This Bill originated in the Council of State and properly speaking the people affected are not represented there practically, and moreover there is nothing on paper to show whether the consent of the people affected has been obtained or not. Then it is well known to the Government of India that there has been an agitation going on for a very long time that the tracts of the Ooriya-speaking people should be placed under one Government. But that is a larger question which I do not like to bring in here. Let me mention incidentally that instead of putting all the Ooriya-speaking tracts together, some small portions are being taken from the Government of Bihar and Orissa. Two years ago some villages were taken away from the district of Balasore and added to Midnapur in Bengal, and the people of those villages were never consulted. Here again, it is doubtful whether the people of the villages concerned have been consulted. As we see from the Statement of Objects and Reasons, it will appear that a few Zemindars were left out in Central Provinces at the time of the redistribution of districts by Lord Curzon in 1905 and Sambalpur was added to Bengal. Phuljhar, Padampur and some other Ooriya-speaking Zemindars were left in the Central Provinces. Those Zemindars have certain villages under them in what now constitutes the Province of Bihar and Orissa. These Zemindars carry on their litigation work in the Criminal Courts of the Central Provinces therefore the people, ignorant as they are, did not object to it, and this created a precedent for their demanding that these villages should be added to the Central Provinces. As I have already stated, the Bill originated in the Council of State where had there been a single representative from Orissa I think he would have questioned it; but there was no representative practically and therefore the Bill had an easy passage in the Upper House.

My friend, Mr. Joshi, just mentioned a few minutes ago that the Honourable the Home Member has surprisingly developed a love of public opinion recently. That love, I find now is completely lost here in this piece of legislation. The Honourable the Home Member asked us to defer our consideration of the previous measure simply because the people had not been sufficiently consulted, and here I think the people have not been consulted at all. Sir, this small piece of legislation does not affect the Government of India, nor does it affect the other advanced Provinces, but it really affects a small people like Ooriyas—therefore I commend it to the Government that the consideration of the Bill, or the passing of the Bill, should be postponed and public opinion—I mean the opinion of those really concerned, i.e., the people of the villages affected—be obtained as well as the opinion of the Governments concerned be obtained. I do not know—there are no papers to show—whether the Bihar Government has been consulted or not, or whether the people of those villages have been consulted at all. As far as I do know, public bodies in Orissa have not been consulted; and therefore I put it to the Government to defer the consideration of this measure for a little longer. It won't affect anybody. At the same time it will give satisfaction to the people themselves, and particularly as the larger question is hanging in the balance before the Government of India, and as we have been agitating for the last 20 years and still we do press on the Government of India to put all Ooriya-speaking tracts under one administration. Therefore I would submit to the Government and to the House to

[Babu Braja Sundar Das.]

defer the consideration of this Bill a little longer. With these few words, I oppose the motion.

Mr. B. N. Misra (Orissa Division: Non-Muhammadar): Sir, I also beg to oppose the consideration of this Bill which the Honourable the Home Member has brought forward, though my attitude is one of a friendly critic of Government.

I shall invite the attention of Honourable Members of this House to the several proclamations referred to in the beginning. That is, the proclamation of the Government of India in 1905; then again in 1912; then again in 1923. Honourable Members will find that this part of the Ooriya country is being kicked like a football from one Government to another Government. If I tell them a little more they will be surprised to learn that this part of the Sambalpur district prior to 1860 formed part of the Orissa Commissioner. Then it was transferred to the Chota Nagpur Division and it remained for some time under the Commissioner of Chota Nagpur. Then it went to the Central Provinces. About 1905 it again came back to Bengal and then to Bihar and Orissa. So that Honourable Members will find that the people residing in this border land between the Ooriya country and the Central Provinces are being treated very lightly. Of course they are really a sort of backward people in those parts and I must say that the Reforms Scheme has not, I think, been extended to that part as it is a backward tract and there is no representation of it either in the Central Provinces Government, not to speak of the Council of State. The fact remains however that for the purposes of judicial administration or civil administration this part has been under the Sambalpur District all along and for a long time under Bengal and now under Bihar and Orissa. As for the case referred to, when I was practising at the Calcutta High Court the case was there; then after a separate High Court was established at Patna it was transferred there and then on some grounds it went to the lower court and then again it was tried in the Sambalpur and Manbhumi District and it then went to the High Court and so on. So practically these people for the last so many years are accustomed to look to the Patna High Court and the Calcutta High Court for their litigation, and now if this Bill is passed then the result would be that these litigants or perhaps all the pending cases will have to go to the Central Provinces administration because clause 3 says "and the said territories are hereby declared for all the purposes of the Central Provinces Courts Act, 1917, to form part of the territories to which that Act extends." So the result will be that these litigants will again have to go to the Central Provinces and will have to go to the Judicial Commissioner at Nagpur.

My other objection is this; the Honourable the Home Member will remember that in reply to certain questions of mine about uniting all the Ooriya-speaking tracts under one Government, he was pleased to reply that the matter was under the consideration of the Government of India and of course Honourable Members are aware that a Resolution was moved in this very Assembly before the Reforms Scheme in 1920 and the Government of India promised to consider the matter and they have obtained the opinion of the Local Governments and the matter is finally awaiting their finishing hand to give a final stroke to the long desired object of the Ooriyas, that is to bring all the Ooriya-speaking tracts under one administration and if that is the case, this Bill can wait. If the Government of

India consider the case favourably and all the Ooriya-speaking tracts are brought under one Government, these people from this Malkharoda Jaghir and Gaontia villages will come back again to the Ooriya province; then in that case it will be a great hardship if this Bill is passed now, and the consideration of this Bill may therefore be postponed till that question is decided. I do not think it will take such a long time as the Local Governments have already been asked for and the local Council of Bihar and Orissa has already expressed its view as required under the Government of India Act, for the transfer of territories from one administration to another. Under these circumstances this may be postponed and it will not act as any hardship. With these remarks I oppose this motion.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadian): This discussion is proceeding, Sir, under some misapprehension. The Sambalpur District of the Central Provinces was detached and made a part of the Province of Bengal some 18 or 20 years ago, prior to which it was an integral part of the Central Provinces and the first settlement of that district was made by an officer of the Central Provinces administration. Honourable Members who have spoken on this Resolution seem to be of opinion that the Government are trying to filch the district of Sambalpur from Bihar and Orissa and tack it on to the Central Provinces, and the last speaker seems to have taken for granted that the zemindari of Malkharoda is an Ooriya-speaking Zemindari. Nothing can be further from the truth. The Malkharoda and Phuljhar Zemindari with which I am very intimately familiar is a Hindi-speaking Zemindari and it is wrong to assume that it is a part of the Ooriya-speaking tract. What happened is this. A portion of the Sambalpur District is no doubt Ooriya-speaking; but interspersed in that district there are a very large number of Zemindaris which are purely Lariya-speaking or Hindi-speaking Zemindaris. It has been ever since the annexation of the District of Sambalpur first in the Province of Bengal and later on after the formation of Bihar and Orissa it has been a standing grievance with the people of that district that they are not able to obtain administration of justice with that despatch which their position deserves. Now, let me illustrate to the Honourable Members the position of these unfortunate people. If they have got any case in court, the Sessions Court is in Cuttack and if they want to go to Patna they have first to go to Calcutta and then go on to Bankipore or Patna. Their long connection with the Central Provinces, their revenue laws being the same as the Central Provinces Revenue Laws, and the whole district being subject to the Central Provinces Land Revenue Act and the existence of the Gaonti tenure in that district which is the tenure generally prevalent in the division of Chattisgarh of which Raipur is the headquarters, and of which Sambalpur formed a district, has always tended to remind them of the good old days when they were part and parcel of the Central Provinces; and they have never become reconciled to the position that has been allotted to them as a border district first of Bengal and later on of Bihar and Orissa. But as I have said, Sir, this is a larger question. We must not confuse the issue. We are here concerned with the very small matter referred to in Schedule 2. The names of the Malkharoda Jaghir and Gaontia villages are set out there. These are the people regarding whom the Government of India propose legislation. It is a matter of doubt and it is to settle that doubt that the Government of India have undertaken this legislation to declare that they are part and parcel of the Central Provinces and are subject to the jurisdiction of the courts in that province. I do not see what advantage

[Dr. H. S. Gour.]

will be gained by further delay and further consideration. Of course, I do not share the passion for popular opinion of the Honourable the Home Member, but nevertheless I recognise that there may be a time and occasion when delay would improve matters; but in this small matter upon which the Statement of Objects and Reasons appended to the Bill is sufficiently clear, I do not see what further light can be thrown on the subject and I therefore support the motion of the Government and oppose the motion made by my two Honourable friends.

The Honourable Sir Malcolm Hailey: I am very glad to have obtained the assistance of Dr. Gour who with his local knowledge has been able to dissipate, and I hope finally to dissipate some of the doubts which my Honourable friend behind had cast on this case. I am not going to run the risk of further confusing the House by any lengthy statement on the subject. There are, however, one or two considerations that I must put forward in order to explain our position. What is the exact operation that we are undertaking? There were certain villages which we thought we had left with the Central Provinces. They are under the Central Provinces revenue law; they have been accustomed to go to the Central Provinces courts. Their civil administration, since their transfer or since their assumed transfer, has been in the Central Provinces

Mr. B. N. Misra: My Honourable friend will find that since this territory was transferred to Calcutta in 1905, the people always went to the Calcutta High Court, and after 1912 they are under the Patna High Court.

Dr. H. S. Gour: They are under the Central Provinces law.

The Honourable Sir Malcolm Hailey: I will explain how far they have since 1905 been under the Calcutta or Patna High Court. Our intention was to leave these villages which were under the Central Provinces revenue law in the Central Provinces. Now it has been discovered that in the notification which we issued we had not carried out our intention, and I imagine that this has come as a considerable surprise to the people themselves. The Honourable Member said that they are accustomed to look to Patna for their appellate jurisdiction. As far as we know only one case has gone to Patna. Some acute legal brain discovered that there was a doubt as to where their appeal lay. It was finally decided that it lay with Patna, but until that discovery was made,—I believe, that the people were under the impression that the whole of their appellate jurisdiction lay in the Central Provinces itself. We have issued a notification, as we are entitled to do, assigning these villages to the Central Provinces, and we merely ask for legislation in order to clear any doubts or remove any difficulties that may have arisen owing to the fact that our intention was not properly carried out in our Notification. That is all that the Bill sets out to do.

Now, I am told that we should delay this case on one major and one minor consideration. The major consideration is this, that the Ooriya-speaking peoples have for a long time been seeking union under one administration. There are certain Ooriya tracts in Madras, some in Bengal, some in Bihar and Orissa and some in the Central Provinces, and this much-divided people desire for union under one of the existing administrations or a new administration of their own. The Honourable Member says that as the matter is under our consideration, he has no doubt of a favourable

decision. If there is a favourable decision, so much the better for him, but I very much doubt if it can be an early decision. Here you have four Governments, all of whom want to keep under them their existing Ooriya-speaking populations—a great compliment to my friend. Each Local Government is prepared, I think, to take over more Ooriyas from another Local Government, but not to give up what they already have. I should not be surprised that the proper solution of the whole question did not lie in the constitution of a sub-province or a new province. That, indeed, is, I believe, the only solution which will give complete happiness to my friend. But it is not a solution at which one can arrive easily, nor is it one which we could carry it into execution speedily in our present financial condition. And indeed, Sir, with the lessons before us of what has happened when we previously attempted to re-arrange the boundaries of provinces, I feel myself that a good deal of hesitation is required before we put any such scheme into execution. That, Sir, is the case, and I do not think, after what I have said, that anybody would feel that it is worth while delaying this small piece of legislation which relates only to a few villages until the larger consummation arrives to which my Honourable friend looks forward so fondly.

Then, there is the minor consideration, namely, that the people themselves have not been consulted. We have, of course, consulted the Local Governments. I cannot trace here any definite expression of opinion on the question of what my Honourable friends have been pleased to describe as a transfer,—I cannot trace any definite expression of opinion from these villages, but may I point out to them the case is exactly the opposite to what they put. They say that we are transferring these villages from one province to another. We say that these villages have been under the Central Provinces administration, they have been under the Central Provinces revenue law, and that they themselves believe that they are under the Central Provinces, and all we are doing is to confirm that decision and not to make a change. If we were really proposing to take these villages from one province to another, then there might be good reason to consult them. All we are seeking to do is to leave them where we thought they were and where, in my opinion, they themselves believe they are. But with regard to any question of their transfer to Ooriya-speaking confederation, might I point out to my Honourable friend that Dr. Gour was perfectly correct in saying that the larger portions of these villages, namely, those in the Malkharoda Jaghir, are not Ooriya-speaking at all. On that point, we, of course, have consulted the people, I mean on the point whether they wish to join any Ooriya-speaking confederation. Malkharoda it is stated to have no Ooriya element in its population or language. As might be expected therefore, considerable opposition was there expressed to the proposal to amalgamate the tract with the Province of Bihar and Orissa. That does not look, Sir, as though there was any need to consult them on the question now before us.

Then again as regards certain villages in the Chandrapur-Padampur Zemindari, the people there speak a variety of Hindi, and here we are told the feeling is the same, and the preference to present arrangements is unanimous. Some of the villages state that they suffer great inconvenience and many disadvantages from the difference in language and habits of life, and they would like to be amalgamated with the Bilaspur district, rather than with the Ooriya-speaking tracts. So all the evidence we have is that these villages would very much prefer to be in the Central Provinces.

[Sir Malcolm Hailey.]

That, Sir, is our case. If after that the House considers that we are doing an injustice to these people, then we are perfectly willing to take any other measures to rectify our decision that may be required. (A Voice: "Commencement clause.") As I said before, it must be an unhappy situation for these people who imagined that they were in the Central Provinces, suddenly to discover that they have to take their appeals to Patna—an exceedingly difficult and long journey for them, and an inconvenient matter in another way, for all their institutions, as far as we know, and certainly their revenue law are those of the Central Provinces.

Mr. B. N. Misra: Sir, the Honourable the Home Member said that the law of the Central Provinces applies in Sambalpur. No doubt the whole district of Sambalpur was under the Central Provinces revenue law and the whole district has been transferred and there is no dispute about that. But what is the good of keeping these 20 or 30 villages separate when you have transferred an area of over 4,000 square miles? What is the good of keeping about 50 square miles?

The Honourable Sir Malcolm Hailey: Then perhaps the best thing we could do would be to take away Sambalpur and return it to the Central Provinces.

Mr. President: The question is that the Bill be taken into consideration.

The motion was adopted.

Clauses 1 to 5 were added to the Bill.

The Schedule was added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir Malcolm Hailey: Sir, I move that the Bill be passed.

The motion was adopted.

THE LEGAL PRACTITIONERS (WOMEN) BILL.

The Honourable Sir Malcolm Hailey (Home Member): Sir, I move for leave to introduce a Bill for the removal of doubts regarding the right of women to be enrolled and to practise as legal practitioners.

Sir, the circumstances under which I introduce this Bill, of which I may say in the language used by after-dinner speakers the pleasant duty has been conferred on me of introducing this Bill, are of course known to the House. The original author of the measure was Dr. Gour and to him the credit is due. We found on examination of his Bill that merely on a matter of drafting it did not meet the situation. We therefore proposed to take the sense of the House on that occasion on the matter of principle. The House approved the principle, approved it I think unanimously. We then undertook to bring in a Bill ourselves which should give full effect

to it and here, Sir, is the Bill. I think I need say little myself in commendation of a measure which in effect has already been passed by the House, and which I know has the approval of the House. Nominally it is a Government measure, but we are only too glad to recognize that it is not in reality a measure promoted by Government and that the credit for it is due to those progressive non-official Members who have had the cause of the women of India at heart. (Hear, hear.)

Mr. President: The question is that leave be given to introduce the Bill.

The motion was adopted.

The Honourable Sir Malcolm Hailey: Sir, I beg to introduce the Bill. With your permission, Sir, I beg to move that the Bill be taken into consideration.

The motion was adopted.

Clauses 1 to 3 were added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir Malcolm Hailey: I could wish that every measure I have to introduce to this House could have as easy a passage. But perhaps, Sir, the measures which I have to introduce to the House are not, all of them, quite so beneficent as this.

Sir, I beg to move that the Bill be passed.

Munshi Iswar Saran (Cities of the United Provinces: Non-Muhammadan Urban): Sir, I wish to most heartily congratulate Sir Malcolm Hailey and the Government on the introduction of this beneficent measure. Unfortunately it is on rare occasions that I am filled with such gratitude to and admiration for Government as I am filled with at this moment. I have no doubt that this measure will be welcomed by the entire educated community all over the country. I am glad Sir Malcolm Hailey did not wait for his hat to be blown off by Indian suffragettes before introducing this measure. He and the Government have profited by the experience of other countries and I most heartily congratulate them.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadan): Sir, I shall be failing in my duty if I also do not join in offering my most hearty congratulations to the Honourable the Home Member for the despatch with which he has carried out the promise that was given to this House that, if the House by a majority carried my motion, to refer my motion to the Select Committee, the Government would introduce a more comprehensive measure drafted on the same lines. And I am glad, Sir, that before this Session is over this beneficent piece of legislation will find its place on the Statute Book. It is the commencement of the emancipation of womanhood, and I can only hope that the benevolence which the Government have shown in this connection will also be extended to other similar matters.

Khan Bahadur Sarfaraz Hussain Khan (Tirhut Division: Muhammadan): Sir, I have never yet made any speech on the motion for the passing of a Bill; but on this occasion my heart is so filled with joy that I cannot help giving expression to my feelings. The House may perhaps consider this to be

[Khan Bahadur Sarfaraz Hussain Khan.]

a small matter, but this time I find that India is giving woman her proper place.

Mr. President: The question is that the Bill be passed.
The motion was adopted.

ELECTION OF MEMBERS FOR THE PUBLIC ACCOUNTS COMMITTEE.

Mr. President: The House will now proceed to the election of Members to serve on the Committee of Public Accounts. I announced before the Lunch adjournment that there are 11 candidates for 8 seats on that Committee. Honourable Members will find the 11 names printed on the ballot paper and the instructions in their usual form. I think Members understand by now the procedure by way of the single transferable vote. I presume that all the 11 candidates still wish to keep their names on the ballot paper.

As only non-official Members take part in the election of Members to serve on the Public Accounts Committee and as there is another item of business which if disposed of would enable official Members to go away if they so choose, I call upon the Honourable the Home Member to oblige the House by moving his motion for referring the proposed amendments to the Standing Orders to a Select Committee.

AMENDMENT OF STANDING ORDERS.

The Honourable Sir Malcolm Hailey (Home Member): Sir, I have to move for leave to amend the Standing Orders of the Legislative Assembly by adding to them a Standing Order in the form annexed, on petitions relating to Bills pending before the Legislative Assembly. The motion which I make is the outcome of proposals put forward originally from a non-official quarter and, as the House will perhaps remember, those proposals were referred to a Committee on which non-officials were fully represented. The draft Standing Order itself is practically in the form recommended by that Committee, it is I think fully in accord with modern parliamentary practice.

Mr. President: Honourable Members will see the form of the draft Standing Order, which I need not read to the House. I have to ask whether objection is taken. As no objection is taken, the Honourable Member has leave.

The Honourable Sir Malcolm Hailey: I now move that the proposed amendments be referred to a Select Committee.

Mr. President: The question is:

"That the proposed amendment which I introduce this Committee."

The motion was carried by after-dinner speakers and of introducing this Bill, are

The House, the original author of the measure was of Members to serve on the Committee. We found on examination of it come to the table to receive the ballot paper it did not meet the situation.

the House on that occasion a.)

Mr. President: the principle, approved it will be announced in due course.

STATEMENT OF BUSINESS.

The Honourable Sir Malcolm Hailey (Home Member): As several Members were absent yesterday evening when I made an announcement about the course of business, I should like to again remind the House that on Thursday we are taking private Bills. We propose, after we have finished Government business on Monday, to continue with those Bills, and again on Tuesday, in order that we may dispose of as many as possible before the Session ends.

Mr. S. O. Shahani (Sind Jagirdars and Zamindars: Landholders): Sir, may I inquire as to when the Session ends?

The Honourable Sir Malcolm Hailey: To the best of our belief, Sir, on Tuesday.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 22nd March, 1928.

LEGISLATIVE ASSEMBLY.

Thursday, 22nd March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock. Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

POWER OF THE LEGISLATIVE ASSEMBLY TO REDUCE THE PAY OF OFFICERS OF THE CIVIL SERVICE OR THE ARMY.

604. ***Mr. Mohammad Faiyaz Khan:** Has the Assembly got the power if it wishes to reduce the pay of Indian or British officers in the Civil Service or the Army?

The Honourable Sir Malcolm Hailey: As far as Members of the All-India services and officers of the Army are concerned, the answer is in the negative. As regards other services, the power to influence pay is limited to such effect as may be produced by voting or refusing supply on Demands for Grants.

BHATKAL RAILWAY EXTENSION.

605. ***Mr. Mahmood Schamnad Sahib Bahadur:** 1. Will the Government be pleased to state whether the Bhatkal Railway extension has been given up?

2. Is the Government aware that the proposed railway extension to Bhatkal does not connect the general railway system with the West Coast (Malabar) railway of the Madras Presidency?

The Honourable Sir Malcolm Hailey: 1. The reply is in the negative.
2. Yes.

POSITION UNDER THE INDIAN ARMS ACT OF RETAINERS OF MAHARAJAS, RAJAS AND NAWABS.

606. ***Lieutenant Nawab Mohammad Ibrahim Ali Khan:** I. Are the Government aware that in Schedule I of the New Indian Arms Rules, class 3, all Maharajas, Rajas and Nawabs are exempted under the Arms Act but nothing is laid down about their retainers, in consequence of which the local authorities are not in a position to allow the same liberty in the use of arms as is allowed to the retainers of the exemptees of class 6 who are of inferior standing?

II. Do Government propose to extend the same privileges to the retainers of exemptees of class 3 which are enjoyed by the retainers of class 6; and remove the great anomaly as soon as possible by amending the law or issuing Circulars to local Governments, making the necessary correction?

The Honourable Sir Malcolm Hailey: 1. Yes.

2. The Arms Rules Committee recommended no change in the provisions regarding retainers; and the Government of India are inclined to accept this recommendation unless very good reason to the contrary is shown.

Lieutenant Nawab Mohammad Ibrahim Ali Khan: Has effect been given to this?

The Honourable Sir Malcolm Hailey: Not yet; we are consulting the Local Governments regarding some of its details.

Baba Ujagar Singh Bedi: Is there any hope of giving us some information before the next Session at Simla?

The Honourable Sir Malcolm Hailey: I should hope that we may probably by that time be in a position to give effect to some of the recommendations of the Committee.

OFFICE OF THE MILITARY ACCOUNTS DEPARTMENT, POONA.

607. ***Mr. B. S. Kamat:** With reference to the Office of the Military Accounts Department, Poona, will Government be pleased to state:

- (i) If Government are aware that there is still some discontent amongst a section of the clerical staff on the ground that the pay of clerks in Divisional Offices, even though they were given temporary or supernumerary promotions, has been fixed at a lower stage than that of their juniors in field offices similarly situated?
- (ii) If any representations have been received, how have they been dealt with by Government?
- (iii) If it is true that the rates of pay of accountants and clerks in the Civil Accountant General's offices and those in the Military Accounts offices are the same; if the reply is in the affirmative, will Government kindly state why rates of increment to those clerks who have passed the Subordinate Accounts test are lower than in the Civil Department, although conditions of service in Military Accounts offices are perhaps more onerous; if any representations on this subject have been received by Government how have they been disposed of?
- (iv) If any temporary clerks entertained during the war and being made permanent in the Department are receiving higher rates of pay than those of the permanent clerks senior in service; if so, will steps be taken to remove the anomaly?
- (v) If it is true that the service of Deputy Examiners who were promoted to this grade during the war in place of absentees is not allowed to count towards pension; is it contemplated to remove any discontent on this ground by amending the rules?

The Honourable Sir Basil Blackett: (i) and (ii). Some representations on the subject were received by the Government of India from the clerks of the Military Accounts Department at Poona, but the grant of the special concession in question was not considered necessary in view of the liberal treatment accorded to the Military Accounts establishments generally under the orders introducing time-scale rates of pay.

(iii) The rates of pay of accountants and clerks of the Military Accounts Department are generally similar to those prevailing in the Civil Accountant Generals' offices; but the rate of increments of clerks who have passed the Accountants' test is lower in the Military Accounts Department than in the Civil Accounts Department. A representation for the grant of the higher rate of increment was received from the Military Accounts establishment at Poona, but the Government did not feel able to agree to it.

(iv) Men who had been entertained temporarily in the Military Accounts Department during the period of the war on higher rates of pay for special qualifications have been confirmed on those rates of pay. The Government of India do not consider that others in receipt of lower rates of pay have any legitimate claim to have their pay raised accordingly merely on the ground of length of service.

(v) Accountants who were promoted temporary Deputy Examiners during the period of the war were not allowed to count the higher emoluments towards pension. This decision was arrived at by the Government of India after careful consideration of the rules on the subject and they do not propose to make any amendment in the rules.

COMPLETION OF CUTTACK-TALCHER LINE.

608. ***Babu Braja Sundar Das:** Will the Government be pleased to state when the Cuttack-Talcher line is likely to be completed?

The Honourable Sir Malcolm Halley: Work on the line has only lately commenced and it is estimated that it will take about 2½ years to complete.

MILEAGE OF THE B.-N. RAILWAY RUNNING THROUGH THE ORIYA-SPEAKING COUNTRIES.

609. ***Babu Braja Sundar Das:** Will the Government be pleased to state how many miles of the Bengal-Nagpur Railway run through the Oriya-speaking countries under the Government of Bihar and Orissa, Bengal, Central Provinces and Madras?

The Honourable Sir Malcolm Halley: The mileage of the Bengal-Nagpur Railway running through the Oriya-speaking tracts is approximately as follows:

	Miles.
Bihar and Orissa	540
Central Provinces	13
Madras	58

COACHING TRAFFIC EARNINGS OF THE B.-N. RAILWAY.

610. ***Babu Braja Sundar Das:** Will the Government be pleased to state the amount received annually by the Bengal-Nagpur Railway from Coaching Traffic stating specially the amount derived from the Coaching Traffic to Puri, Bhubaneswar, Baitarani and Jajpur?

The Honourable Sir Malcolm Halley: The Bengal-Nagpur Railway received from coaching traffic, Rs. 2,21,47,000 during 1921-22 which included sums of Rs. 9,65,794, 1,28,213, 1,03,606 and 43,696 on account of passenger traffic booked to Puri, Bhubaneswar, Baitarani and Jajpur, respectively. Particulars of other coaching traffic booked to these stations are not available.

NUMBER OF MEN IN THE HIGHER GRADE SERVICES OF THE B.-N. RAILWAY.

611. ***Babu Braja Sundar Das:** Will the Government be pleased to state:

- (a) the number of men employed by the Bengal-Nagpur Railway in the higher grade services in their various departments stating how many of them are Europeans, Anglo-Indians, and Indians? Is there any Oriya in the higher grades of services?
- (b) the number of employees who are getting over Rs. 50 per month classifying them according to their nationality? How many Oriyas are there in the employment of the Bengal-Nagpur Railway getting a pay over Rs. 100 and over Rs. 50?

The Honourable Sir Malcolm Hailey: The information in the detail asked for is not available. It can be collected only by special compilations by the Bengal-Nagpur Railway and the Government are reluctant to put the Railway Administration to this trouble.

PASSENGER SUPERINTENDENTS.

612. ***Babu Braja Sundar Das:** (a) In pursuance of the Resolution by Mr. Joshi regarding Passenger Superintendents will the Government be pleased to state if the Bengal-Nagpur Railway have appointed any Passenger Superintendent at Howrah and Puri?

(b) Is it a fact that most of the third class passengers to Howrah between Howrah and Puri are Oriya-speaking?

(c) Do the Passenger Superintendents at Howrah and Puri (if appointed) know anything of the Oriya language?

The Honourable Sir Malcolm Hailey: (a) The reply is in the affirmative so far as Puri station is concerned.

At Howrah there are two Passenger Superintendents under the control of the East Indian Railway. These men attend both East Indian Railway and Bengal-Nagpur Railway passenger trains.

(b) Government understand that the percentage of Oriya-speaking passengers between Howrah and Puri is comparatively small.

(c) The Passenger Superintendent at Puri and one of the Superintendents at Howrah have a knowledge of the Oriya language.

Babu Braja Sundar Das: I beg to put another question.

Mr. President: Does the Honourable Member wish to ask a question of which notice has not been given? If it is a private notice question, that must come at the end.

Mr. K. Ahmed: Sir, in view of the fact that there is no Bengali-speaking Passenger Superintendent on the Eastern Bengal Railway, do Government propose to replace some of the Superintendents when they retire by a Bengali-speaking Superintendent?

Mr. President: Does the Eastern Bengal Railway run into Howrah?

Mr. K. Ahmed: Then I put both the East Indian Railway and the Eastern Bengal Railway.

The Honourable Sir Malcolm Hailey: We were asked to collect certain information about Oriya-speaking Superintendents on the Bengal-Nagpur Railway running into Howrah and Puri. I do not think the Honourable Member is in order in asking about Bengali-speaking Superintendents on the Eastern Bengal Railway.

IMPERIAL INSTITUTE.

613. ***Mr. W. S. J. Willson:** 1. Is Government aware that:

- (a) The Princes and people of India subscribed a very large sum of money towards the building of the Imperial Institute?
- (b) When the building became the property of the British Government this important Indian share was recognised by earmarking a certain portion for Indian purposes and placing it under the India Office?
- (c) The India Office has announced its intention, owing to the discontinuance of the Government of India grant, to hand over this portion of the building to the British Government to be used for other purposes?
- (d) The Indian Committee of the Imperial Institute (which includes distinguished Indian representatives) has protested against the action of the India Office, maintaining that this portion of the Imperial Institute should continue to be Indian and used for Indian purposes as at present?

2. In view of these facts and in addition the expressed wish of the Associations of Commerce, both in India and Great Britain, that India's long connection with the Imperial Institute should be preserved, also of the continued requests which are being received from India for assistance from the Institute, will the Government of India take steps to ensure that the recognised occupation of certain parts of the Imperial Institute for Indian purposes is not disturbed?

Mr. J. Hullah: 1. (a) Yes.

(b) The arrangement made was that the India Office should occupy, as lessee of the British Government, free of rent, firstly a portion of the basement for use as store-rooms and office, and secondly a corridor with passages, stairways and a subsidiary room. The Government of India understand that only the first area, which does not form part of the main building, is to be surrendered.

(c) The intention is believed to be as I have already stated, but I am not aware that the India Office has made any announcement on the subject.

(d) The Government of India have no information of any such protest.

2. The Government of India believe that the portion of the main building which was leased to the India Office is still in possession of the Imperial Institute, and will continue to be used for the Indian Exhibits, which will not be removed. They will, however, ascertain definitely whether this is so.

CONDITION OF PERMANENT QUARTERS AT RAISINA.

614. ***Lieutenant-Colonel H. A. J. Gidney:** 1. Will Government kindly state how many of the recently built permanent quarters at Raisina leaked during the rains, last February, and to what extent?

2. In view of the experience gained during the above period is the Government prepared to say that these quarters will be habitable during the monsoons?

3. If not, are they taking steps to make the roofs really water-tight?

4. Will the Government state what has been spent up to date in electro-wiring the houses in question?

5. Is it a fact that the electric-wiring has been done so unscientifically that much of the material put down only 4 or 5 years ago has perished to such an extent as to need renewal?

Colonel Sir Sydney Crookshank: 1. The total number of complaints of leakage during the rains referred to, received by the Executive Engineer in charge was six.

2. Yes.

3. Does not arise.

4. The total sum spent on wiring residential quarters to date is about Rs. 5 lakhs.

5. No.

Mr. S. O. Shahani: Are the Government aware that the doors and windows, as also the furniture in the Raisina quarters are all ill-made?

Colonel Sir Sydney Crookshank: May I ask the Honourable Member to state exactly what question he has put?

Mr. K. Ahmed: I suppose leakages are generally found in the buildings?

Mr. President: Order, order. Mr. Shahani.

Mr. S. O. Shahani: My question is—are the Government aware that the doors and windows in the permanent quarters at Raisina are badly made and that the furniture which is provided in the permanent quarters is badly made?

Colonel Sir Sydney Crookshank: I am not aware that either the doors or the windows, or the furniture is badly made. The best wood procurable has been obtained and is used in the manufacture of these articles and the best labour available has been employed.

CIRCULATION OF ONE-RUPEE NOTES.

615. ***Sir Montagu de P. Webb:** Will Government having regard to the unsuitability of the one rupee note as currency in this tropical country and to the fact that, according to the Report of the Indian Retrenchment Committee, the one rupee note is apparently more expensive to produce and maintain in circulation than the silver rupee, now revert to the pre-war practice of issuing the silver rupee only in future?

The Honourable Sir Basil Blackett: The matter is under consideration.

Mr. S. O. Shahani: Are the Government aware that the public in this tropical country now consider the one-rupee note as fairly suitable?

The Honourable Sir Basil Blackett: Government are aware from statements that have been made to them both that it will be a disaster if the one-rupee note is not withdrawn and that it will be a disaster if it is.

Mr. S. O. Shahani: Will the Government be pleased to state if it has been found difficult to maintain the one-rupee note in circulation and, if so, why?

The Honourable Sir Basil Blackett: I understand it was a little difficult in the first instance. In certain quarters it is now extremely popular. The whole question is a difficult one. It is very hard to say whether or not it is more expensive to keep the one-rupee note or the silver rupee in circulation and it is hard to say whether the public does or does not want the one-rupee note. The best criterion always in deciding whether a particular form of currency should be kept in circulation or not is whether the public want it or not, and that will ultimately be the criterion in this case.

Mr. S. O. Shahani: Will the Government be pleased to ascertain what the attitude of the public in the matter is before withdrawing the one-rupee note from circulation?

The Honourable Sir Basil Blackett: The Government are endeavouring to do so.

Mr. K. Ahmed: Is the Honourable the Finance Member aware that contagious disease is prevalent especially in this city of Delhi? I suppose plague and small-pox are contagious diseases?

Mr. President: The Honourable the Finance Member is not responsible for Public Health.

COST OF MILITARY SERVICES.

616. ***Sir Montagu de P. Webb:** Will Government be pleased to say what percentage the cost of "Military Services" in India in (1) 1913-14, and (2) 1921-22, bears:

- (a) to the total expenditure of the Central and Provincial Governments
 - combined; and
- (b) to the total cost, excluding Commercial services of administering India of the combined Central and Provincial Governments?

The Honourable Sir Basil Blackett: The percentages required are:

	1913-14	1921-22.
(a)	19.5	23.8
(b)	32	38.3

I may add that the corresponding figures for 1923-24 are approximately (a) 21.6 and (b) 35.2.

Dr. H. S. Gour: Is this percentage arrived at after taking into calculation military expenditure distributed over the heads of civil expenditure, as, for instance, 50 lakhs of rupees under the civil works in Waziristan, the Frontier Military Police and the like?

The Honourable Sir Basil Blackett: I did not work out the figures myself, so I cannot answer finally such detailed questions, but certainly we have not included political expenditure as part of military.

UNSTARRED QUESTIONS AND ANSWERS.

FOOD SOLD BY LICENSED STATION VENDORS.

247. Rai T. P. Mukherjee Bahadur: (a) Is the Government aware that the licensed station vendors generally supply inferior food and sell all food and articles at an exorbitant high rate and dupe the passengers?

(b) Is there any officer to supervise the work of station vendors just to see whether they are supplying inferior things or selling things at a higher rate to the passengers than the bazar rate?

(c) Does the Government intend to take steps to protect the poor passengers against extortion by station vendors?

Mr. C. D. M. Hindley: (a) Government are not aware that such is the case. Vendors are bound by their contracts to supply good and wholesome articles at current rates.

(b) The reply is in the affirmative.

(c) The Honourable Member is referred to replies to (a) and (b) of his question.

CHANGES IN LAW AFFECTING THE HINDU SOCIETY.

248. Babu Braja Sundar Das: (a) Will the Government be pleased to state if they consult the opinion of any body of Pandits connected with a religious institution regarding changes in law which affect the Hindu Society?

(b) Has the Muktimandap of Puri been ever consulted with regard to changes in social laws of the Hindus?

The Honourable Sir Malcolm Halley: (a) and (b). No. Public opinion is elicited by publication; if the opinion of particular bodies or individuals is sought, the selection is made by Local Governments.

RAJKUMAR COLLEGES FOR ARISTOCRATS.

249. Babu Braja Sundar Das: (a) Will the Government be pleased to state how many Rajkumar Colleges for aristocrats are there in India?

(b) Were they started at the initiative of the Government of India or the Provincial Governments?

(c) Is it a fact that minor sons of Landholders and Zamindars are sometimes forced to go there even against the protest of their natural guardians?

(d) What is the standard up to which education is imparted in each Rajkumar College?

(e) Is any method of administration imparted to the students of those colleges, bureaucratic or democratic?

Mr. Denys Bray: (a) There are five Chiefs' Colleges in India.

(b) They were started at the initiative of the local authorities.

(c) Not so far as the Government of India are aware.

(d) There is a Diploma Examination at all the Colleges which is accepted by Universities as equivalent to the Matriculation examination, and there is a Post-Diploma Class at the Mayo College, Ajmer.

(e) This question is not fully understood. The subjects connected with administration, in which instruction is given, are "Law" and "Land Revenue and Surveying".

REDUCTIONS IN THE STAFF OF B.-N. RAILWAY.

250. Babu Braja Sundar Das: (a) Is it a fact that great reductions in the staff have taken place in the Bengal-Nagpur Railway owing to retrenchment?

(b) If the reply to (a) be in the affirmative, will the Government be pleased to state the number of hands that have been discharged classifying them under heads, (i) Europeans, (ii) Anglo-Indians, (iii) Indians?

Mr. C. D. M. Hindley: I would refer the Honourable Member to the second part of my answer to Mr. Agnihotri's question put on the 12th March, which deals with the matter. Government do not propose to enquire into the number of hands discharged or the classes to which they belong.

FEMALE WAITING ROOMS AT SAMTHAL HATIM SERAI RAILWAY STATION ON THE O. AND R. RAILWAY.

251. Mr. Syed Nabi Hadi: Is Government aware that there is no female waiting room at Samthal Hatim Serai Railway station on Oudh and Rohilkhand Railway and the Indian women feel much inconvenience there?

Mr. C. D. M. Hindley: Government have no information. Railways provide separate waiting accommodation for female passengers where necessary.

IMPERIAL WIRELESS.

Sir Jamsetjee Jejeebhoy: With your permission, Sir, I should like to ask a question about which I have given notice to the Honourable Member in charge. Will Government be pleased to inform the House how the case stands regarding Imperial Wireless?

Colonel Sir Sydney Crookshank: Sir, before replying to that question in so many words, perhaps I may be permitted to take up a few minutes of the time of the House briefly to explain how the position stands, as it may enable Honourable Members better to judge and form their opinions. I would at the outset ask Honourable Members to frame a mental picture of the geographical position of India in relation to Africa, Europe and Asia. From this they will see in their mind's eye that India stands in the centre of a circle comprising South Africa, East and West Africa, the United Kingdom, Egypt, Europe generally, the Near East, the Far East, Singapore, Hongkong, Australia and New Zealand within its perimeter. Honourable Members will thus realise that India's position in the wireless field is one of very great importance indeed, both strategically and commercially. I will not go into the past history of the development of wireless, but, beginning at the year 1920, it will interest the House to know that an Imperial Wireless Telegraph Committee, ordinarily known as the Norman Committee, sat in London to investigate the Imperial Wireless position at large. The conclusions they arrived at were that the programme to be followed should be to develop on steps averaging about 2,000 miles a piece, that is to say, England to Egypt, Egypt to India, India to Singapore.

[Colonel Sir-Sydney Crookshank.]

and on to Port Darwin, or Perth and Brisbane. This proposal, which was based on Government management throughout, did not, however, receive any favour either from the Government of India or from the Commonwealth, Dominion and Union Governments. The reason why we in India had no particular use for this arrangement was that for strategical purposes direct communication between England and India was of the highest importance and for commercial purposes to work on these short stages would be unpractical and unprofitable. These views were communicated to the Home Government and the next stage in the development of Imperial Wireless was that in 1922 an Imperial Wireless Co-ordinating Committee sat and recommended that the Indian station should be an Imperial station and more or less left it open to the Union, Dominion and Commonwealth Governments, who, I may remark, had already taken the matter into their own hands by entering into negotiations with branches of the main Marconi Company for the erection and working of their own stations. The Indian Government being reluctant to embark on the programme of expenditure involved the Home Government then offered to provide the money for the construction of this station on the understanding that we worked it and gradually repaid the capital by means of amortization or sinking fund. They proposed, however, to instal a station which in our opinion was not sufficiently powerful to give us the commercial traffic which we considered would be thrown on this central station and would be required in order to make it pay its way. Our views were communicated to the Home Government and as a result the British Cabinet decided that no restrictions should be placed on the arrangements for establishing Imperial wireless long-range stations outside the United Kingdom but that in England itself Government would erect and work its own high-power station. This therefore left us in India with a free hand and the question was then one of the comparative merits of Government erection and control *versus* private enterprise. In the case of Government capital and working, according to the advice which we received from our experts in this direction, the cost of the station was estimated to amount to about £421,000, or say £500,000 to be on the safe side. The ordinary working expenses would be on an average £41,000 per annum—probably more making allowance for the interest and sinking fund charges. There were therefore great difficulties in the way of Government taking up the construction of the installation itself—not only on account of the large amount of capital involved but also because we had no experts of the specialized technical standard required to construct and operating the station. And, moreover, and this is a very important point, we had not the full rights to utilise the Marconi patents and get the advantage of the best apparatus and means of conducting the service. The advantages and disadvantages of private enterprise on the other hand will be fully realised in that Government would not be required to put down capital; possibly they could enter on a contract for majority shares in the same way as the Commonwealth Government did which took 500,001 shares out of a million pounds worth of capital; or they could do what was done by the Union Government—that is to say, give a ten-year contract with the option of taking over the whole concern at a valuation at short notice. A further advantage of private enterprise would be that by coming into a contract with a branch of the Marconi Company we should get the full use of those patents which would make all the difference to the success of the concern. Therefore the balance of considerations was on the side of private enterprise and it remains so.

still. What form private enterprise should take has not been fully gone into by this Government. We have had offers from two Indian firms, and also from a branch of the Marconi Company, but our arrangements would naturally be that we would give preference, if we had eventually to decide on going in for a contract, to a Company which was an Indian Company with a large proportion of Indian Directors and floated with Indian rupee capital.

That is the position at present and Government is now investigating further in that direction. That does not necessarily mean that wireless telegraphy throughout India and abroad will revert to contract working. It really means that there will be a blend of State and Company management which I think offers the best solution of this problem. That is to say, the Government would retain in their hands the working of the inland and coastal stations which we now have in India and in Burma and along the coast, and would also encourage the opening of feeder stations within the limits of these inland stations by Local Governments, by commercial undertakings or other bodies such as groups of coal mines, tea gardens, oil fields, or other concerns having occasion to take advantage of having small wireless installations of their own. There would also be the smaller wireless installations which would be worked under licence by the Indian States for the advantage of the communications within those States. So that, as I explained before, Government would still retain in their hands the working of wireless throughout India and Burma and along the coast, and if the proposal to enter upon a contract for the opening of Imperial wireless is found suitable and satisfactory, that would be handed over to private enterprise. It is not possible to state exactly where this high-power station in India would be situated, but it would probably be in a group of stations at places like Agra, Tundla and Hathras, those being about the right distances apart for the grouping of this central high-power world station and having the advantage of close connection with the main telegraphic heart or centre of India at Agra. It will thus be seen that Government have this very important problem under consideration as a part-Government-part-private-enterprise scheme. The traffic which would be thrown on this long range station in order to be of value for commercial purposes, without which it would be insignificant, would be in the nature of 2 million words per annum out of probably a total of 12 million words which pass over the cables; and the rates, although nothing has been fixed or settled in that matter, would probably be about 75 per cent. of the cable rates—that is to say Re. 1 for wireless per word as against Rs. 1-4 for cable transmission. That is the position in which we now stand and we propose to investigate further this field of private enterprise in the shape of an Indian company with Indian capital.

Mr. N. M. Samarth: May I inquire, Sir, whether the Government of India obtained the opinion of the law officers of the Crown as to whether it is legally permissible to the Government of India to grant a licence to any one in regard to wireless telegraphy within British India?

Colonel Sir Sydney Crookshank: I am not quite sure whether I fully understand the Honourable Member's question, but there will be no objection to entering into a contract by the Indian Government in India, as the British Government have already decided that that may be left entirely in the hands of the Indian Government; but I think what the Honourable Member probably has at the back of his mind is the utilisation of the patent rights which are possessed by the Marconi Company. These the

[Colonel Sir Sydney Crookshank.]

Government of India will not use, except by arrangement and payment of royalty fees to the Marconi Company as the law authorities in England have stated that payments which were made by the General Post Office to the Marconi Company in connection with the utilisation of some of their patent rights before and during the war cannot be extended to apply to the utilisation of those patents in India.

Mr. N. M. Samarth: I am afraid I have not made myself quite clear. My point is specifically this. Under the Indian Telegraph Act as it stands at present, have they obtained the opinion of the law officers of the Crown as to whether it is legally permissible to the Government of India to grant a licence at all to anybody for wireless telegraphy within British India?

Colonel Sir Sydney Crookshank: So far as I know, it is.

Mr. N. M. Samarth: My question is, have the Government of India obtained the opinion of the law officers of the Crown on that point?

Colonel Sir Sydney Crookshank: I am not quite sure; I shall look up the case and I will inform the Honourable Member later as to the exact position.

Sir Jamsetjee Jejeebhoy: May I inquire, Sir, whether wireless telephony would come within the scope of the proposed company?

Mr. H. A. Sams: Wireless telephony would not, I think, come within the scope of the proposed company which would be simply like any other land line.

Sir Deva Prasad Sarvadhikary: Before entering into any contract would the Government exhaust its inquiries with regard to other methods of wireless under investigation in India and abroad?

Mr. H. A. Sams: What other methods has the Honourable Member in mind?

Sir Deva Prasad Sarvadhikary: For example, regarding those about which question were asked in this House some time ago; that was one class of wireless I had in mind.

Mr. K. Ahmed: As for instance, I handed over a pamphlet of Khan Bahadur Habibur Rahman Khan regarding his original research in wireless telephony and telegraphy, and the Honourable Sir Sydney Crookshank promised that he would read that pamphlet and see if there is any good in it.

Colonel Sir Sydney Crookshank: I can assure Honourable Members who have just spoken that Government would be very careful indeed to make inquiry into every possible method of wireless transmission, whether of the kind to which I gave an answer some days back, or otherwise.

Rao Bahadur T. Rangachariar: May I ask in what form the Government aid is going to be given to this enterprise, whether it is to be in the shape of guarantee or in the shape of shares in the capital? Have they decided?

Colonel Sir Sydney Crookshank: Sir, there are several alternatives in this particular direction; but we have not got as far as going into the details of the exact proposals of any agreement which may be made, but

we would naturally be very careful to see that the interests of the Government were properly safeguarded and also that in the case of emergency or war the Government would have the full use of the Imperial Wireless stations in India.

Rao Bahadur T. Rangachariar: Will the Government when they have made up their mind inform the public as to what aid the Government is going to give in this matter, because the public are not likely to form a company without knowing beforehand what the Government proposes to do?

Colonel Sir Sydney Crookshank: Every opportunity of consulting public opinion would be taken before any agreement was entered into in a case like this.

Rao Bahadur T. Rangachariar: My point is, before concluding any agreement with any private firm or other people, will the public have an opportunity to tender on the terms proposed by Government?

Colonel Sir Sydney Crookshank: The public will be given every opportunity of tendering. There will be no intention of restricting the form of tender or the extent of it.

Rao Bahadur T. Rangachariar: Have any Indians been hitherto trained in the Government Wireless Branch?

Colonel Sir Sydney Crookshank: A number of Indians have been trained at the Wireless School at Karachi. If my memory serves me right, I think 141 operators and wireless telegraphists have passed out quite recently.

Rao Bahadur T. Rangachariar: How many officers are there and how many of these are Indians?

Mr. President: I think if the Honourable Member wants details he had better put his questions down on the paper.

Dr. H. S. Gour: Will the Government be pleased to consult this House before entering into any final contract regarding wireless transmission?

Colonel Sir Sydney Crookshank: I will make a note of the Honourable Member's wish to do so, but I do not know that it is altogether possible to do so.

Sir Deva Prasad Sarvadhikary: Having regard to the recent lessons in connection with the State management of railways, does the Government consider that mixed enterprises of the kind to which the Honourable Member has just referred is likely to be acceptable?

Colonel Sir Sydney Crookshank: As far as I can see, every advantage lies in the combined arrangements which I have outlined because Government retains the working of wireless within the Indian Empire and there will be every advantage in using private enterprise for long distance wireless.

Mr. Jamnadas Dwarkadas: May I take it, Sir, that the object of Government in giving the Imperial Wireless to a private company is that they think commercially it may prove successful which in the case of State management, I am afraid, will not prove so? Is that the reason?

Colonel Sir Sydney Crookshank: I think I may say that it is very largely so.

Mr. N. M. Joshi: Is the Government aware that they managed the Post Office and that it has given a profit of Rs. 1½ crores this year?

Mr. President: I think Honourable Members might consider now any further questions more carefully and put them down on the paper.

OUTSTANDING RESOLUTIONS OF THE ASSEMBLY.

Dr. H. S. Gour: May I put one question to the Honourable the Home Member, Sir? There is a very wide-spread feeling in this House that a very large number of Resolutions which have been admitted by you, Sir, will have fallen into arrears for want of dates for non-official business; and will the Honourable the Home Member see that some dates are set apart for working off a few of these Resolutions? Some of them are very important and which Honourable Members are anxious should be moved during the next Simla session.

The Honourable Sir Malcolm Hailey: I can only make a note of that desire. I cannot of course undertake at present to say anything about the course of business during the Simla session. I would remark, however, that the House must not expect that we should during the Simla session be able to set apart enough days for private business to have any substantial effect on reducing the number of Resolutions outstanding. Those number, to the best of my recollection, something like 260.

INDIA'S CONTRIBUTIONS TO THE GREAT WAR.

Mr. E. Burdon: With your permission, Sir, I should like to inform the Honourable Members of the Assembly that the Government have now completed and published an account of India's contribution to the Great War. The production of this Book, it will be remembered, was undertaken by Government at the request expressed more than once by Members of the Legislature. Copies of the Book will be found in the Library of this House, and copies can also be obtained from the Superintendent, Government Printing, Calcutta.

INDIAN DELEGATION FROM KENYA TO LONDON CONFERENCE.

Sir Deva Prasad Sarvadhikary: I asked a question, Sir, of which the Honourable Mr. J. Hullah has private notice. It is as follows:

"Will the Government be pleased to say whether the Secretary of State for the Colonies has acceded to the request of Indians in Kenya that their representatives should be heard at the forthcoming conference in London regarding the affairs in that Colony?"

Mr. J. Hullah: Evidently the Secretary of State for the Colonies has acceded to that request, for we have just received a telegram from the Secretary of State for India as follows:—"I have ascertained that the Indian delegation from Kenya will be treated on the same footing as the European delegation. First class travelling allowance and subsistence allowance at the rate sanctioned for Europeans is being granted to the Indians up to the same number as the European delegation, that is 8 or 4 as the case may be, if the Indians wish to send more than 2 representatives.

Sir Deva Prasad Sarvadhikary: Would that apply to the deputation sent from India?

Mr. J. Hullah: The telegram refers only to the deputation of Indians from Kenya.

REPORT OF THE N.-W. FRONTIER COMMITTEE

Sir P. S. Sivaswamy Aiyer: May I ask the Foreign Secretary for information as to when the Report of the North-West Frontier Committee which was presided over by him will be published, and whether an opportunity will be given to the House to discuss the questions arising out of that Report?

Mr. Denys Bray: I am afraid I am not in a position to give a definite answer to this question. The Report, as the Honourable Member is aware, is still under the consideration of the Government. The Honourable Member is aware, but possibly other Members are not aware, that the Report is exceedingly voluminous and the questions it raises are very complex, and it will necessarily take some little time for Government to conclude their consideration.

Mr. W. M. Hussanally: May I know, Sir, if the Report is confidential?

Mr. Denys Bray: I may add this also that the Report in its present form is confidential, as reference has been made in parts of it to very confidential matter. Before it would be fit for general publication, that matter would have to be expunged.

Mr. Jamnadas Dwarkadas: Am I not correct in saying that the practice after the Reform Scheme came into existence has been to publish the Reports without Government first considering them. All the other Reports, for instance the Fiscal Commission Report and other reports, have been published without Government giving their consideration to them in the first instance.

The Honourable Sir Malcolm Hailey: That is not the general practice. The House will remember that we did not publish the Racial Distinctions Report until we fully considered it and indeed until we were prepared to put forward a Bill on it.

With regard to the Frontier Committee's Report, that general consideration does not arise. Mr. Bray has already explained the reason why it is not at present possible to publish that Report, namely, it contains confidential matter which must be expunged.

Mr. W. M. Hussanally: May I enquire whether this expunging will take place with or without the consent of the Members?

Rao Bahadur T. Rangachariar: I may mention that my minute on the Racial Distinctions Committee was not published in full with my consent.

Mr. President: These are not matters, strictly speaking, within the cognizance of the Assembly. Where the Assembly appoints a Committee, it has complete control over the publication of the Report. But if Government chooses to take the advice of Members of this Assembly or of other Members outside, the publication or non-publication of the Report is a matter entirely within the discretion of the Government.

NORTH BENGAL FLOOD.

Mr. K. Ahmed: With regard to the North Bengal flood, the Honourable Mr. Hindley,—I think in February last,—when I put a starred question, gave an undertaking in this Assembly and promised to lay on the table a statement.

Mr. President: Will the Honourable Member say if he is asking a question of which he has given notice?

Mr. K. Ahmed: No, Sir, I am not asking a question, but in regard to . . .

Mr. President: The Honourable Member is out of order. He has given no notice of the question, and it cannot be answered.

Mr. K. Ahmed: Sir, I am simply inquiring

Mr. President: The Honourable Member is not entitled to make even a simple inquiry without notice.

REDUCTION UNDER HEAD " OPIUM."

Babu Braja Sundar Das: Sir, I beg to ask a question of which I gave private notice. It reads as follows:

" 1. (a) Will the Government be pleased to state the authority responsible for giving the understanding to the Indian Retrenchment Committee that a reduction of Rs. 19.80,000 on the estimate for 1922-23 will be made under the opium head in 1923-24?

(b) Is it a fact that owing to this given understanding the Committee make no recommendation for any reduction under the head 'Opium'?

(c) The Incheape Committee state that there will be thus a saving of approximately Rs. 20 lakhs in 1923-24. Where is the saving in the present Budget?"

The Honourable Sir Basil Blackett: Sir, the Retrenchment Committee requested the Finance Department to supply them with advance proofs of the Demands for Grants as soon as these were ready. Copies of rough proofs were accordingly furnished and these included a rough proof of the opium demand which the Committee assumed to be final. The demand for the purchase of opium at this stage was shown as Rs. 147 lakhs and included no provision for Malwa opium. Subsequently the demand was revised and the provision increased to the present figure of Rs. 169 lakhs which includes provision for necessary payment for special cultivation in Malwa. This change was, I understand, communicated to the Committee too late to allow of alterations being carried out in their Report.

As regards the rest of the question, I think it is clear from the recommendation of the Committee that they merely assumed an automatic reduction of 20 lakhs in expenditure on the purchase of opium, which assumption, as I have already stated, was based upon incorrect data. Apart from this, they say: "In view of the importance of safeguarding this important source of revenue we recommend no further reduction". It does not appear to have been the intention of the Committee to effect any reduction in the amount which the administrative authorities considered necessary to enable them to finance their opium operation. The greater part of this opium is required for sale to foreign Governments under contract. Any reduction of the provision in the budget would, it is estimated, result in a loss of about four times that amount of revenue as there is only a very limited reserve.

PUBLIC ACCOUNTS COMMITTEE.

Mr. President: I have to acquaint the Assembly that the following Members have been elected to serve on the Public Accounts Committee:

Mr. K. C. Neogy,
Mr. K. Ahmed,
Mr. N. M. Joshi,
Mr. Ambica Prasad Sinha,
Mr. K. G. Bagde,
Mr. Syed Nabi Hadi,
Rao Bahadur P. V. Srinivasa Rao, and
Mr. Braja Sundar Das.

AMENDMENT OF STANDING ORDERS.

The Honourable Sir Malcolm Hailey (Home Member): Sir, I made a motion yesterday, which was accepted by the House, in regard to the appointment of a Committee to consider an amendment of the Standing Orders, the particular Standing Order being that relating to Petitions. The rules provide that the Committee shall be elected by the transferable vote. As the time is somewhat short, I have suggested to some of my friends opposite that we might together put up a combined list which, if it were accepted by the House, would avoid the necessity of electing the Committee. If I have your permission, Sir, I will read out the names to the House, and if no further names are forthcoming, no ballot will be required.

The names are:

Rao Bahadur T. Rangachariar,
Mr. N. M. Samarth,
Mr. J. P. Cotelingam,
• Mr. K. G. Bagde,
Mr. Ahmed Baksh,
Colonel Nawab Muhammad Ibrahim Ali Khan. and
Sir Henry Moncrieff Smith.

Mr. President: The question is that:

"Rao Bahadur T. Rangachariar, Sir Henry Moncrieff Smith, Mr. N. M. Samarth, Mr. J. P. Cotelingam, Mr. K. G. Bagde, Mr. Ahmed Baksh, and Colonel Nawab Muhammad Ibrahim Ali Khan be elected to serve on the Select Committee on the Standing Order on Petitions."

The motion was adopted.

THE MUSSALMAN WAKF REGISTRATION BILL.

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): Sir, I beg to move:

"That the Report of the Select Committee on the Bill to provide for the registration of wakf estates and the proper rendering of accounts by the mutwallis of such estates in British India be taken into consideration."

[Maulvi Abul Kasem.]

Sir, in doing so, I have to offer a few words of explanation to the House. The Bill which was introduced in this House and which was referred to the Select Committee had elaborate provisions for the control and management of these waqf estates. From the opinions that we received from the Local Governments, Government officials and public bodies, it appears that there was a great difference of opinion as regards the manner and method and the constitution of these controlling authorities and some objection was taken too about the details. Therefore, Sir, the Select Committee has decided to avoid not only the details about the constitution of controlling bodies but has left control out of the Bill itself. We have in this Bill, as it is now before the House, only confined ourselves to the registration of waqf properties and to the rendering of accounts by mutwallis. As unfortunately, human memory is very short, I have to repeat what I said on a previous occasion that this registration of waqf estates was absolutely necessary in the interests of these waqf properties because it has been found, and it is admitted also, that a large number of these waqf estates has passed out of the hands of the Muhamamadans, and the purchasers of these estates who have in the majority of cases bought them for good money, when they are asked to return the same, raise the plea—and it is a justifiable and reasonable plea no doubt—that they have had them for good value and without notice. So now, what is proposed is that every mutwalli will now be compelled to register in a public office the full details of the waqf property. So that, if anybody in future advances any money on the mortgage of this property, or purchases any part of that property, he will do it with his eyes open and the Muhammadan community will have every right and chance to take it away from him whenever they want to. The second matter which is dealt with in this Bill, as it now stands, is that each mutwalli has to register the waqfnamah which lays down the conditions of the waqf and will have to submit an audited account annually before any public office for the inspection of any Muhammadans interested in the waqf estate. And these are the two simple provisions about which I think I will not be far wrong when I say there is almost unanimity of opinion from our sections. Whatever objections may have been raised to the method of control were in regard to investing some Government officials with executive powers and similar measures. But these have been done away with now. The only thing is that I and the Bill want that waqf properties shall be duly registered and we may have an opportunity of knowing what is a waqf property and what is not. And secondly, that the mutwalli, who is a trustee and only a trustee, and nothing more, may be made to submit an account of his income and his expenditure, so that the Mussulman public, which is at the present moment under the Statute law entitled to sue a mutwalli if he is guilty of misappropriation, may have the necessary information and facts before him before he proceeds to take action against the mutwalli. These are the only two provisions that now remain of the old Bill, and I think the House will have no objection to consider the proposals favourably. Before I take my seat, Sir, I might inform the House that the Select Committee had the advantage, in its deliberations when it considered the provisions of the Bill, of the experience and advice of the Honourable the Law Member of the Government of India. I mention this because he is not only the Law Member of Government and the Law Adviser of Government, if I may say so, but he is a distinguished Muhammadan lawyer and he has considered the Bill very carefully and we came to a

settlement that these are the only two important clauses that ought to be retained and the rest could be dropped out; that we ought to see how the Bill works and then we might take further steps, if necessary, on a future occasion. I think, Sir, I will be lacking in my duty, if at the same time I did not acknowledge my gratitude and my thanks to Mr. Wright, Secretary in the Legislative Department, for the trouble he has taken in redrafting this Bill. The Legislative Department has very hard work to do, what with Government Bills and with having to revise and redraft the amateur efforts of legislators like myself, they have had hard work to do in connection with my Bill. I have also to acknowledge my thanks to my Honourable friend Mr. Percival for the great trouble he has taken in considering the clauses of the Bill and drafting the same, and I hope that this House will receive this motion favourably.

Mr. Mahmood Schamnad Sahib Bahadur (West Coast and Nilgiris: Muhamadan): Sir, I may be permitted to say a few words about this Bill. Sir, this is a very useful piece of legislation, because all over India there are several religious and charitable endowments created by Muhammadans, the income of some of which is very large but of most very small. Still most of them are not properly managed by the mutwallis. The income is not devoted to the objects for which the endowments are created. And, if this Bill is passed, the Muhammadan public will be under a great debt of gratitude to those who have helped to pass it. And, of course, as was said by the last speaker, the Bill as it was introduced had many objectionable features; but now as it comes out of the Select Committee, it is shorn of most of these objectionable features, although there are some impracticable provisions which I hope, if some of the amendments are carried, will be removed. For instance, as I said, many of the waqf estates are very small. Even poor Muhammadans are anxious to secure salvation for their souls by dedicating their small holdings, and the income of such dedications is necessarily small. Sometimes it will be only Rs. 15 or Rs. 10 and if the accounts of these also are to be audited and auditor's fees are to be paid, from the income of such wakfs it will be very hard and the remainder left for the expenses of the object will be very little. Clause 3 provides that every statement of account shall, before it is submitted to the Court, be audited:

"(a) in the case of a waqf the gross income of which during the year in question, after deduction of the land revenue and cesses, if any, payable to the Government, exceeds two thousands rupees, by a person who is the holder of a certificate granted by the Local Government under section 144 of the Indian Companies Act, 1913, or is a member of any institution or association the members of which have been declared under that section to be entitled to act as auditors of companies throughout British India; or

(b) in the case of any other waqf (i.e., whose income is less than Rs. 2,000), by any person authorised in this behalf by general or special order of the said Court."

The Bill provides later on that for such auditing of accounts of income of small estates also fees has to be paid; if fees has to be paid for such auditing, then of course the income left will be very small. Besides that, there is a penalty clause also for not getting the accounts audited. I think there is an amendment in regard to that.

Mr. President: Order, order. I must ask the Honourable gentleman to reserve his remarks on these subjects till we come to the particular clauses on which they arise.

Mr. Mahmood Schamnad Sahib Bahadur: I hope that the House will pass the necessary amendments.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Sir, I am entirely in the hands of this Assembly in moving my motion that the Bill be re-circulated for the purpose of obtaining further opinion thereon. After I gave notice of this amendment Sir, I have been approached by many Members of this Assembly, including the mover of the Bill, and I am exactly in the position which I have stated. I find, Sir, there are good points in support of it, because it is better that the consensus of opinion from the Provinces should be invited further on the Bill. As I have said, I do not like to oppose the Bill in any way. Patience is a great virtue. But if the requirement of this Bill is so urgently welcome—my friend might say “the sooner the better; make hay when the Sun shines; a bird in the hand is worth two in the bush.” Again my friend may not be returned by his constituency to this Assembly again, because there will be a lot of difficulties and obstruction put up in the way of the Bill by inviting opinion from the Provinces, and as you know, Sir, to borrow from my Honourable friend Dr. Gour, the *ipsissima verba* of the speech that he had made this morning

Mr. W. M. Hussanally (Sind: Muhammadan Rural): May I rise to a point of order, Sir? I am afraid the Honourable gentleman is blowing hot and cold at the same time. I am not aware whether he is speaking in favour of the Bill or whether he is going to speak in favour of the amendment which he has put down on the paper. I think he ought to make up his mind whether to move the motion or not.

Mr. President: I was just going to insist on it by asking him myself. Does the Honourable Member move the motion for re-circulation or not?

Mr. K. Ahmed: The result will come out, Sir. If it is the opinion of the Honourable Members of this House

Mr. President: The Honourable Member must give me a direct answer. We have got a long programme for legislation before us to-day and I want to know whether he wishes the Bill to be re-circulated. If he does, he had better move the motion.

Mr. K. Ahmed: If the Government has no objection that the Bill should be re-circulated and further opinion invited. On that point, as I have said, patience is a great virtue. The Government of India tries its utmost to give the best consideration in all matters no doubt. I was also one of the Members in the Select Committee on this Bill and also was engaged for a couple of days in giving my best consideration to it. There is a minute of dissent by my Honourable friend Khan Sahib Abdul Quadir. There are a number of amendments on the agenda. There are 10 amendments on the paper. From the gist of these amendments it appears that it is not probably advisable to go on with the Bill at present, and I, Sir, should certainly think that it is advisable in the circumstances

Mr. President: I understand the Honourable Member is advancing arguments in favour of re-circulation. I ask him now to move the motion.

Mr. K. Ahmed: I am in the hands of the Government. I am in favour of circulation if they accept it; if they do not, then I withdraw it.

Mr. President: It is not for the Government to accept or to refuse. The opinion of the Government may assist the Honourable Member, but the decision rests with the House.

The Honourable Sir Malcolm Hailey (Home Member): Sir, I have been asked for the opinion of Government on this question and I am quite prepared to give it. It will be remembered that when the Bill originally came before us, it involved the organisation of managing committees by Government and a very considerable amount of control to be directed by Government, and I may say at once that Government was opposed to any such proposal. That feature of the Bill has however now been excluded. The only new burden which the Bill now places upon Government is the receipt of accounts. For the rest, it will merely be for the Civil Court to take action on the lines of the Act of 1920 on the motion of persons interested in these wakfs. Therefore, from the point of view of Government, the Bill remains one entirely for the community. If they desire to see this system of registration applied to their accounts and are willing that these religious institutions should be compelled to submit those accounts to audit, we on our part are willing to stand aside and allow them to get their case through the Assembly without interference on our part. At the same time, I do not think, Sir, I should be doing my duty to the House if I do not state to it a certain fact which has just come to my knowledge. The representatives of one particular community in Bombay approached me as late as a few days ago with the complaint that the circumstances relating to the religious endowments in that community would not permit of the application of the Bill to them. I had to express regret that we had no previous notice of any such objection nor had it come before the Select Committee. But I wired that day to the Bombay Government asking them to give us its advice as to the attitude we should take on this particular subject as arising from the objections—if they were real objections—of that community. I have just received a wire in which the Local Government says: "This Government is informed that Muhammadan opinion generally is adverse to the whole Bill" and suggests the publication of the Select Committee's report before proceeding further and have promised us a fuller report on the subject. I could not, consistent with my duties to my fellow-Members on the Select Committee and to the Bombay Government have refrained from laying this fact before the House. It is possible that the Bombay Government, in wiring to us, had in view only the original Bill and not the Bill with the very much restricted scope which is now before the Assembly. But if you will permit me, though perhaps it may not be strictly cognate to this point, I would go one step further. My remarks grow out of the fact which I have just mentioned that we have had placed before us very strong objections from one section of the community. It is our intention subsequently to propose an amending clause whereby Local Governments will be able to exclude religious endowments of any one section of the Muhammadan community. I state that fact now because it might clear discussion subsequently. I feel myself strongly that it is a wise precaution, for cases might arise which are not now before us and which have not been represented to us. We might be at considerable inconvenience if we were obliged at the request of Local Government to put forward an amending Bill.

Mr. K. Ahmed: As I say

Mr. President: I cannot allow the Honourable Member to make a second speech. Is the Honourable Member going to move his motion?

Mr. K. Ahmed: I have not finished my speech

Mr. President: If the Honourable Member is going to move his motion he can move it. I am not going to allow him to make a second speech.

Mr. K. Ahmed: I have been supported by the telegram sent by the Government of Bombay to the Honourable the Home Member. That is in my favour that the Bill should be re-circulated. Furthermore, there is one difficulty that arises as will appear from the preamble of the Bill, that is, that the mutwallis should render an account. To render an account means preparing it and preparing it means some money is necessary, and I may tell you, Sir, that the majority of the Muhammadan Members who are here to-day—I have been told directly by some of them—think that to spend the money that will be required to prepare an account is certainly against the wishes of the donor, but I am ashamed myself because I was convinced by the Honourable the Home Member when we were sitting in the Committee room No. A a few days ago that this was a necessary cost,—I did agree with my Honourable friend that this was a necessary cost just to keep an account, to buy paper and stationery

Mr. President: The Honourable Member cannot go into the merits of the question just now. He must move the motion for re-circulation.

Mr. K. Ahmed: Sir,

Mr. President: Order, order. The Honourable Member, if he is moving his motion, must address his argument to prove that there has not been sufficient consideration of the measure and that therefore it is desirable to elicit further opinion thereon. I hope he will confine his remarks to that point but I am prepared to stretch the point in his favour and to regard the Honourable the Home Member's speech merely as an interruption.

Mr. K. Ahmed: I move my amendment, Sir:

"That the Bill be re-circulated for the purpose of obtaining further opinion thereon."

Mr. President: The original question was:

"That the Report of the Select Committee on the Bill to provide for the registration of waqf estates and the proper rendering of accounts by the mutwallis of such estates in British India be taken into consideration."

Since which an amendment has been moved:

"That the Bill be re-circulated for the purpose of obtaining further opinion thereon."

Khan Bahadur Maulvi Amjad Ali (Assam: Muhammadan): Sir, I never dreamt that my friend Mr. Kabeeruddin Ahmed would ever move his amendment. He knows full well that it is a notorious fact that all mutwallis have been dealing with the wakf estates with an amount of dishonesty which up till now has not been detected by any Court of justice.

Mr. President: Order, order. Is the Honourable Member addressing himself to the motion for re-circulation? He has just referred to facts which he calls notorious. If they were notorious it is obvious that they do not need to be elicited by re-circulation.

Khan Bahadur Maulvi Amjad Ali: I am addressing my speech so far as to oppose the amendment of my Honourable friend. This Bill as originally drafted was not acceptable to the country because it was a hard measure as put by my Honourable friend Maulvi Abul Kasem, but after the opinions of the Local Governments were received and a Select Committee was constituted, the Select Committee, thanks to them, have made the Bill acceptable to the country by removing all objectionable clauses. Sir, there is nothing in the opinion of the Select Committee so far as this Bill is concerned, which is objectionable, and accordingly the Select Committee has recommended the passage of the Bill. Now, if this Bill goes again to the country for further opinion, the result will be that the Honourable Member who has moved this Bill may not be here any more and perhaps this Bill may not come before the House in the next Simla session, so that the whole object is going to be frustrated by this amendment which will do no good to the community, rather it will do immense harm to the Muhammadan community. Therefore I oppose this amendment.

Mr. W. M. Hussanally: I rise also to oppose the amendment that has just been proposed by my Honourable friend Mr. Kabiruddin Ahmed. The Bill as it has emerged from the Select Committee is a perfectly harmless measure so far as the mutwallis and wakfs are concerned. There can be absolutely no objection to the mutwalli being called upon to register his wakfnamah and file his accounts of income and expenditure from time to time. So far as those two points are concerned, there is an absolute certainty that the Local Governments and the public could have no objection, and my Honourable friend Mr. Kabiruddin Ahmed has advanced no reasons whatever in support of the amendment he has proposed. The measure that is now before us is of a very urgent character from the fact that several large wakfs have been misappropriated and the matter requires speedy remedy. If the Bill is re-circulated, it will take time and the very object that we have in view will be frustrated. My Honourable friend Maulvi Abul Kasem said that the Bill as it is now presented to the House has received the full support of the Honourable the Law Member. That being the case, I think there is absolutely no reason for re-circulating the Bill for further opinion. In regard to the opinion of the Government of Bombay which has been put before us by the Honourable the Home Member, so far as we are concerned I think there will be no objection on our part to give power to the Local Governments to exclude any particular sect of the community or any particular limits within their territory, and so far as we are concerned we can leave that matter safely in the hands of Local Governments. If any particular sect of the community do not wish that this Act should apply to them, it will be open to them to approach the Local Government concerned which for good reasons may exclude them from the operation of the Bill. To that I will have no objection, but I certainly have a very strong objection to the Bill being re-circulated on the grounds that I have just mentioned. I therefore strongly oppose it.

Maulvi Abul Kasem: Before the House comes to a decision on the amendment of my Honourable friend I beg to inform the House that the original Bill contained amongst others these two conditions about registration and the rendering of accounts. They were circulated and it took just two years for the Government to ascertain opinion and in this volume of papers that have been supplied to Honourable Members they will find an expression of opinion on these two provisions as well as on others. But

[Maulvi Abul Kasem.]

before I sit down I would remind my redoubtable friend Mr. Kabir-ud-Din Ahmed of the condition of the mosque in Maldah which has gone into waste and for which Lord Curzon and the Government of India offered Rs. 50,000 for repair but the mutwalli was not prepared to add Rs. 5,000 to it. (A Voice: "Rs. 60,000.") Government was prepared to pay Rs. 60,000. In this House questions are put about the ruin of mosques, their repairs and the use of the compound of mosque buildings by Government or by non-Mussalmans. There is a real grievance about this but I must say that if the Mussalmans want the Government to protect their religious institutions and their mosques, they ought to do everything that lies in their power to protect them from misappropriation and misuse by the so-called trustees. It has been said that there will be expense which the wakf donor never contemplated. I ask, did the donor ever contemplate that these trust properties or their income should be misappropriated by the mutwallis for their own use, for their own pleasures and for their own mischief. I would remind my friend Mr. Kabir-ud-Din Ahmed of another mosque which lies near his door between the Malda Railway station and the English bazaar, a few yards from that station where the passengers are eaten up by tigers.

Mr. K. Ahmed: If I understand the Honourable Member

Mr. President: I allowed the Honourable Member to make a speech and a half but I will not allow him to make a second speech.

Mr. K. Ahmed: I was going to say, Sir

Mr. President: Is the Honourable Member going to withdraw his amendment or not?

Mr. K. Ahmed: Otherwise there was no necessity for my standing.

Mr. President: The Honourable Member can withdraw but cannot make a speech in doing so.

Mr. K. Ahmed: Since reference has been made and

Mr. President: The question is that the Bill be circulated for obtaining further opinion thereon.

The motion was negatived.

Mr. President: The question is:

"That the Report of the Select Committee on the Bill to provide for the registration of waqf estates and the proper rendering of accounts by the mutwallis of such estates in British India be taken into consideration."

The motion was adopted.

Mr. President: We will postpone the first clause (Short title, extent and commencement) till the end.

Khan Bahadur Maulvi Amjad Ali (Assam: Muhammadan): Before I move my amendment I would invite my Honourable friends of this House to very kindly listen to my submissions. With regard to the merits of the amendments I shall move one after another in due course. The amendment that stands in my name runs as follows:

"In clause 2(c) after the words 'appointed by a Mutwalli' the words 'or by the Court' be inserted."

I shall be very brief in making my submission. The word 'mutwalli' has been defined as follows:

"Any person appointed either verbally or under any deed or instrument by which a waqf has been created, to be the mutwalli of a waqf and includes a naib mutwalli or other person appointed by a mutwalli to perform the duties of a mutwalli and, save as otherwise provided in this Act, any person who is for the time being administering any waqf property."

Now, my submission is that in line 6 after the words 'appointed by a mutwalli' the words 'or by the Court' shall be inserted. Disputes like this, namely, that if the donor makes no provision in the deed as to who will be mutwalli after the death of the existing mutwalli, may arise among the beneficiaries. For instance, I am a donor, and also a mutwalli. Under Muhammadan law, I fail to nominate my successor at my death bed, because suddenly I become unconscious and die. There is also no provision in the deed itself as to how this vacancy is to be filled up. Is that vacancy to remain vacant or to be filled up? Who is to fill it up? There is no provision in the deed itself. Secondly, you fail to nominate your successor. At this juncture the only remedy is to approach the Kazi. That is the Muhammadan law. It may be asked now, who is the Kazi? The District Judge has been held by the Honourable High Court of Calcutta to be the Kazi. I am myself a mutwalli of a certain wakf property and I had to approach the District Judge to appoint me a mutwalli because the last mutwalli could not nominate his successor. Nor was there any provision as to who would succeed. The difficulty arose and I had to approach the District Judge with a petition and I was appointed by him. In order to cover those cases this amendment is necessary. Now, Sir, it may be contended at least by one Member of this House that this argument may be met by the last sentence "any person who is for the time being administering any wakf property." I do not think this portion will meet my argument. Any person administering a property means any person who is already a mutwalli and administering. It is a present progressive tense. For instance, if the post of mutwalli falls vacant and there is no occupant of that post, then who is administering? There is nobody administering. So, I submit to this Honourable House that my amendment may be accepted as it is an innocent one and will at the same time prevent certain disputes to which reference has already been made by me. I think that my amendment will commend itself to the House. With these words I move my amendment.

Maulvi Abul Kasem: Sir, to save the time of the House I rise to say that I have no objection to accepting this amendment if there is no technical difficulty of a drafting nature, because I admit that a mutwalli may include a person appointed by a Court as mutwalli. Of course, not being a lawyer I cannot go into the details, but I am quite prepared to accept the amendment.

The Honourable Sir Malcolm Halley (Home Member): Sir, we have considered this point on the drafting side and find the amendment not very appropriate as it stands. It would assume that a person was appointed by the court to perform the duties of mutwalli. Now, Sir, if I am correct the case which would arise is that under section 92 of the Civil Procedure Code the Court may have appointed a trustee. It is as such trustee that he would be performing the duties of mutwalli; and on the whole we think that the purpose of the Honourable Member would be best attained

[Sir Malcolm Hailey.]

by inserting the words a little further up in the sub-clause which would then run:

" 'Mutwalli' means any person appointed either verbally or under any deed or instrument by which a waqf has been created, or by a court, "

The reason for using that particular form of words (a Court instead of the Court) is that, under section 92 of the Civil Procedure Code it would not necessarily be the District Court which had appointed a trustee. If therefore the Honourable Member still feeling that the existing concluding words of the sub-clause are not a sufficient safeguard for him, I would suggest that after the word " created " be inserted the words " or by a court."

Khan Bahadur Maulvi Amjad Ali: I have no objection, Sir.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President: Further amendment moved:

" That in sub-clause (c) of clause 2, line 4, after the word ' created ' the words ' or by a court ' be inserted."

The motion was adopted.

Mr. Mahmood Schamnad Sahib Bahadur: Sir, I move:

" That to clause 2(e) the following be added:

' and includes the mosques and the other Moslem institutions referred to in section 4 of the Religious Endowments Act, 1863, as not falling within the control of the committee appointed under the provisions of the Act '."

Sir, before 1863 all charitable and religious institutions were managed and supervised by Government through mutwallis. After that year the Government divested itself of the burden and under the Religious Endowments Act the institutions were divided into two classes, one falling under section 3, another falling under section 4. The institutions whose mutwallis were appointed by or whose appointment were subject to the control of the Government were those falling under section 3; and all the institutions whose mutwallis were only under the supervision of Government fall under section 4. Now, only the institutions falling under section 3 were placed under the control of the committee appointed under the Act; and the latter kind of institutions, that is, those under section 4, are not under the control of any committee or any other authority; they are not liable to render any account to anybody, and so large properties belonging to such mosques are misappropriated and the incomes are not properly applied to the objects for which they were intended. I therefore want that those institutions which fall under section 4 of the Act may also be included in this Bill, that is to say, section 2, sub-section (e) may be read with the addition which I have proposed. If that is done there will be no objection; it will do a lot of good in the management of such institutions and help the cause of charitable foundations which otherwise fall into disuse. Many such institutions in my own district have been ruined; the properties have been misappropriated and sometimes alienated while the buildings are crumbling to ruin. So I hope my amendment will be accepted.

The Honourable Dr. Mian Sir Muhammad Shafi (Law Member): Sir, I venture to submit to the House that the amendment moved by my Honourable friend is entirely unnecessary. From the definition of

"wakf" as embodied in this particular sub-clause it will be clear to Honourable Members that wakf means the permanent dedication by a person professing the Mussulman faith of any property for any purpose recognized by the Mussulman law as religious, pious or charitable, but does not include a certain kind of wakf mentioned in the concluding words of the sub-clause ordinarily known as "wakf-alal-aulad" or family endowment. It will thus be clear that every kind of wakf recognized by Muhammadan law, whether of a religious or charitable or any other character, falls within the purview of this Act in so far as registration and rendering of accounts is concerned. It follows therefore that wakfs which are outside the particular section of the Act of 1863, to which my Honourable friend has referred, do fall, by reason of this definition, within the purview of this Act. Where then is the necessity of amending the definition in the manner in which my Honourable friend proposes? Such an amendment cannot but create confusion. The definition as embodied in the Bill as it has emerged from the Select Committee, I submit, is all-embracing, and in consequence the amendment put forward by my Honourable friend is absolutely unnecessary.

Mr. President: The question is that that amendment be made.

The motion was negatived.

Mr. President: The question is that clause 2, as amended, stand part of the Bill.

Mr. S. O. Shahani (Sind Jagirdars and Zamindars: Landholders): Before you put clause 2, Sir, to the vote, I request that I may be permitted to suggest that the definitions may be made applicable to all religious and charitable endowments. It appears to me that this Bill can be easily made applicable to all religious and charitable endowments. It will be a very useful Bill, and I, therefore, submit that this extension may be sanctioned by the House.

Mr. President: That is entirely outside the scope of the present Bill. The Honourable Member proposes to bring under this Bill religious and charitable endowments other than those of the Mussalman community, and therefore, it is entirely outside the scope of the measure.

Clause 2, as amended, was added to the Bill.

Mr. President: Clause 3.

Mr. Mahmood Schamnad Sahib Bahadur: Sir, I beg to move:

"That in clause 3 (1) (a) after the word 'property' the words 'and also of the property purchased from the income of the Waqf property' be inserted and the necessary consequential changes be made."

The income of many institutions which have got large estates are not fully utilised for the benefit of the institutions; from the surplus income other properties are purchased and they are enjoyed as the property of the mutwalli. If this Bill is not made applicable to those properties, their accounts will not be rendered. Therefore, I submit that those properties which are purchased from the income of the Wakf properties should also be included.

The Honourable Dr. Mian Sir Muhammad Shafi: I venture to submit to the House again that this amendment too is entirely unnecessary. It is obvious that the property in the hands of a mutwalli being Wakf

[Dr. Mian Sir Muhammad Shafi.]

property, its income is also Wakf and property purchased from the income of this property must necessarily be treated in law as Wakf property. The amendment, therefore, is entirely unnecessary.

Maulvi Abul Kasem: I quite appreciate, Sir, the remark which has just fallen from the Honourable the Law Member that property itself ought to include the property purchased from the income of the Wakf property, but I would just tell him, Sir, that in many cases the properties purchased from the income of these Wakf properties are not admitted to have been purchased from that, unless we can prove it. In that case to make it more clear, if we could add this definition . . . (Voices: "No, no.") Of course I leave it to the House.

The Honourable Dr. Mian Sir Muhammad Shafi: That, I submit, is a pure question of fact in each case. There will be an issue in each case whether that property has been purchased out of the income of Wakf property.

(Mr. Mahmood Schamnad Sahib Bahadur then got up.)

Mr. President: Does the Honourable Member want to withdraw his amendment?

Mr. Mahmood Schamnad Sahib Bahadur: No.

Mr. President: I will then put the amendment.

The amendment was negatived.

Clauses 3, 4 and 5 were added to the Bill.

Mr. President: The question is that clause 6 stand part of the Bill.

Maulvi Abul Kasem: There is an amendment by Maulvi Abdul Quadir, Sir.

Khan Sahib Maulvi Abdul Quadir: I beg to move, Sir:

"That in clause 6, for the words 'Every statement of accounts shall, before it is furnished to the court under section 5, be audited' substitute the following: 'Any person may, after a statement of accounts has been furnished to the court under section 5, apply to the court that such statement of accounts be audited and on such application the court shall direct that it be audited'."

Sir, I am against compulsory pre-auditing of the accounts to be submitted by the mutwallis. They can be so audited after the public interested in the proper management of the various Wakf estates are satisfied that the accounts have been fudged up and that they should get them audited for the purpose of finding out as to how and where the money has been spent; otherwise, Sir, if the House makes yearly audit incumbent on the mutwallis, there would be diversion of a considerable portion of the revenue from the charitable purposes for which the donors originally intended. This would be a regular tax on all Wakf property every year. It is quite undesirable to levy such a tax unnecessarily for all time to come. I therefore oppose the levying of such a tax and move my amendment. I submit, Sir, that if this amendment is accepted, it would have the effect of doing away with the yearly audit of the statement of accounts to be submitted by the mutwallis. Otherwise they will have to submit yearly accounts and engage the services of a trained auditor, and that would be an unnecessary charge

on all waqf properties, which is not desirable. It would be resented and the use of the revenues of the waqf would be diverted. So I oppose this and submit this amendment which I hope will be accepted.

The Honourable Sir Malcolm Halley: As we have only just seen this amendment and as, to a certain extent, we shall be answerable for the drafting, might I in the interests of the House ask the Mover of the amendment if it exactly expresses his own intention? His proposal, if we take the wording of the amendment, is that any person, after a statement of accounts has been filed, may apply that it should be audited. Does he mean that any person, for instance myself who am not a Muhammadan, may force the Mutwalli to have his accounts audited? Or was it his intention to repeat in effect the provision which we have in the Act of 1920 which allows an interested person to apply?

Khan Sahib Maulvi Abdul Quadir: I mean an interested person.

The Honourable Sir Malcolm Halley: If the intention is an interested person, the wording must follow that intention.

Mr. President: Does the Honourable Member desire the insertion of the word "interested" before "person"? If so, it ought to be moved as an amendment.

Khan Sahib Maulvi Abdul Quadir: Yes.

The Honourable Sir Malcolm Halley: We can supply the Honourable Member with the wording which it will be necessary to adopt. The wording which I assume would be adopted, subject to the draftsman, is that of section 3 of Act XIV of 1920.

Mr. President: Perhaps we may postpone consideration for a moment unless the form of words is actually ready for submission to the House in the form of an amendment.

Khan Bahadur Saiyid Muhammad Ismail (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I submit that every Muhammadan is not in sympathy with the amendment moved by Maulvi Abdul Quadir, and I would suggest that the amendment be drafted for the consideration of the House and it would then be possible to the House to consider it on its merits.

The Honourable Sir Malcolm Halley: I would suggest that the House might discuss the matter on the substance, understanding that the word "interested" will subsequently, if the substance is approved, be substituted by a more correct form of wording.

Lala Girdharilal Agarwala (Agra Division: Non-Muhammadan Rural): Sir, I beg to oppose the amendment moved by my learned friend on the ground that it would turn the proposed legislation into a sort of Homeopathic pill of legislation. I submit, either have a law or have no law. There is no use having a middle course. If my Honourable and learned friends desire that there should be only a nominal registration, I personally have no objection, but the only reason I oppose this amendment is to draw the attention of the Honourable Members of the Assembly to the fact that, by accepting that amendment, the proposed law will lose all its force. Secondly, I may inform Honourable Members that I have a mind to bring forward subsequently, if possible, a Bill which might apply to Hindus, and

[Lala Girdharilal Agarwala.]

if this principle is adopted, the same principle will have to be accepted for the Hindus, and I am not prepared for that. On these grounds, Sir, with the greatest respect for Muhammadan sentiments, I strongly oppose this amendment.

Mr. W. M. Hussanally: Sir, I rise to do the same and for exactly the same reasons as those advanced by my friend Lala Girdharilal Agarwala. The matter was very fully considered in the Select Committee and we came to this unanimous conclusion. No reason has been shown by my friend Maulvi Abdul Quadir for upsetting the decision we arrived at in Select Committee, and as this Bill is likely to be applied to all communities, in the near future I think we ought to come to an understanding which will be applicable to every kind of charitable endowment.

Khan Bahadur Sayid Muhammad Ismail. Sir, I rise to oppose the amendment moved by Maulvi Abdul Quadir. As a Muhammadan interested myself in the management of a religious waqf and also of a charitable waqf property I offer my support most unhesitatingly to clause 6 of the Bill as drafted by the Select Committee. After mature consideration if the House is really anxious that Muhammadan property should be protected from mismanagement and misappropriation of its income from abuses of dishonest Mutwallis, then the only safeguards which have been proposed are embodied in the provisions of the Bill. If any amendment of clause 6 as is suggested is made, the Bill will be of absolutely no effect. Then what will remain will be the simple registration of the waqf property with a copy of the *waqfnamah* filed in the Registration office. Without compulsory provision for the auditing of the accounts there can be no check over the accounts submitted by the Mutwallis. The audit of accounts is absolutely necessary. I therefore very strongly oppose this amendment and support the provision of clause 6 of the Bill as it stands.

The Honourable Sir Malcolm Hailey: I only wish to speak for the assistance of Members of this House in the matter. I recognise that the question whether these trusts should be audited or not is largely one for the community, but I should like to point out to Members of this House that there already exists in our Legislature a provision which allows an interested person to apply for audit. That is to say section 3 of Act XIV of 1920, the words of which run that an interested person may obtain an order embodying a direction that the accounts of the trust shall be examined and audited. We already have this provision for audit in our law, so that, if the Honourable Member's intention, as embodied in his revised amendment, is carried out, it will be merely repeating an existing section of the Act of 1920.

Khan Sahib Maulvi Abdul Quadir: I submit, Sir, that it is not my intention that they should not be audited. I take objection to the fact that they should be always audited before they are submitted to the Court in which they are registered. If the accounts are to be submitted after they are audited, that would entail a charge, which, I submit, is unnecessary. This is not necessary in all cases, because we know there are only certain estates in which the revenues are misappropriated. Now, the public or any Muhammadan who is interested in waqfs knows in what estates the revenues are misappropriated, so, after the statements are submitted to the Court in which the estates are registered, he can apply . . .

Mr. President: Order, order. I allowed the Honourable Member to speak under a misapprehension. I thought the Honourable the Home Member had moved an amendment to his amendment. I must now call upon Maulvi Abul Kasem.

Maulvi Abul Kasem: Personally speaking, I have no objection to accepting this amendment, because it will practically mean that, if anybody wants to get the accounts audited, he will have to take action either under this Act or the Act of 1920. I might say that the main objection of my friend Maulvi Abdul Quadir is that there will be a recurring expenditure and a charge on the waqf property. May I submit to him and to the House that the auditing of accounts is a necessary charge on all properties. If you want to save money by avoiding audit, then I think the Government of India can save a large amount of public money by giving up their Audit Department; but that is not practicable. The object of making the mutwalli submit an audited account of income and expenditure was to ensure that the mutwalli will always take care not to submit what has been called in this House "faked" accounts of his income and expenditure, and the dread of having to face an auditor will make him keep his accounts at least in a more decent form than he would otherwise do. Unless there is this provision for the auditing of accounts, I think a mutwalli will be as free to misappropriate and misutilize trust funds as he has been in the past. Of course this expenditure need not be incurred by a small estate. Here the discretion is left to the court to certify anybody to audit the accounts and he can give this certificate to a *muharror* or a pleader who is specified. I think my friend Maulvi Abdul Quadir will be well advised to withdraw his amendment, because that will be the only possible check that this law will bring to bear upon the conduct of the mutwalli and upon his expenditure of public trusts. I may tell my friend and the House that, according to Muhammadan law, which has been much referred to, a waqf is nobody's property, it is public property and it should, I think, be willing and agreeable to pay the cost of audit.

The amendment was negatived.

• Clause 6 was added to the Bill.

Khan Bahadur Maulvi Amjad Ali: Sir, in moving this amendment I would like to inform the House that the Bill as originally drafted contained a provision to enable anyone interested in a Waqf to file a suit against a Mutwalli for misbehaviour; but unfortunately the Select Committee has not thought fit to retain this clause to which I refer—No. 20 of the original Bill. That clause as it was drafted ran as follows: as Honourable Members of this House may not have the original Bill with them, I will read it out:

"20. Notwithstanding anything contained in any law for the time being in force, ^{Buit against Mutwallis, etc., by persons interested in the Waqf} any person interested in any Waqf or the trusts relating thereto may, without joining as plaintiff any of the other persons interested therein, sue before the Civil Court, the Mutwalli of such Waqf or the members of Central Committee or any District Committee appointed under this Act for any misfeasance, breach of trust or neglect of duty committed by such Mutwalli, member of Committee, or local Agent in respect of the Waqf or the trusts vested in or confided to them respectively, and may in such suit pray that the plaintiff himself be appointed Mutwalli or that the Court may appoint any other person to be the Mutwalli and the Civil Court may—

(a) direct the specific performance of any act by the Mutwalli, member of Committee or local Agent,

[Khan Bahadur Maulvi Amjad Ali.]

- (b) decree, damages, and costs against such *Mutwalli*, member of Committee or local Agent, and
- (c) direct the removal of such *Mutwalli*, member of Committee or local Agent, either on grounds set forth in the plaint or on any other grounds that to the Court may appear just and proper."

The Honourable House is aware that the object which actuated my Honourable friend Maulvi Abul Kasem to take the trouble of presenting this Bill to this House was to bring the *Mutwalli* to his knees in case of misdeed, misfeasance, malfeasance, malversation or other neglect of duty in respect of any *Waqf*. *Mutwallis* often consider themselves the owners of the *Waqf*. They do not consider that they are simply the agents of the donors. The *Mutwallis* thus mismanage the property in any way they think fit. Now it is to put a check on these things that this legal measure has been devised. But I find to my greatest pain and disappointment that even if this Bill is passed in its present form, the *Mutwalli's* misbehaviour will remain where it is now. The only thing this Bill has sought to enforce is to compel the *Mutwalli* to submit to court first of all a deed of *waqf*, a schedule of the *Waqf* property, an account of income showing receipts, etc. For instance, the *mutwalli* submits his accounts, and the account submitted by him shows that he has been spending the income of the property in his own way on his own account. How can you punish him or bring him before a court for punishment for his misbehaviour? The Bill

under consideration makes no provisions for that. What is the 1 P.M. advantage gained if this Bill is passed? For instance, I am a *mutwalli*; I am asked to submit accounts; I submit accounts; very well; I say that I have appropriated Rs. 2,000 to my own account. I am bound to submit a true statement of account and I do so, and that is all; I have submitted a true account saying that I have spent this amount. Is there any provision of law under the Bill to punish that conduct? Is there any control in this Bill? Why are you going then to pass this Bill? For no earthly reason; only for this purpose, to compel me to submit to the court of the District Judge a copy of my account. I have been dealing with this for the last 20 years. In my district I make bold to say that, ever since I have joined the Bar, I have been dealing with hundreds of cases of this character; sometimes I have opposed the appointment of a *mutwalli*, sometimes I have supported it; at last my turn came and I was appointed. However this law under debate is altogether defective. I am not prepared to agree to all the provisions. You are always saying that you are going to save the *waqf* property of a pious Mussalman who gave his property for the purpose of general charity and you are requested by this Bill, by the author of this Bill, to accept it simply for the purpose of saving the property from the hands of dishonest *mutwallis*. That is the object. Now, Sir, it struck the author of this Bill before, to put in this clause, but unfortunately I find that when the matter came before the Select Committee it was thrown out. Why? I do not understand the reason why it was thrown out; there were so many Mussalman members of the Select Committee, including the author himself; why did they agree to this proposal that this clause should be deleted from the Bill and to make the proposed Bill altogether infructuous? I submit, therefore, that such a provision should be made in this Bill.

Now, Sir, before I sit down after moving my amendment I would seek your permission to say one word for the edification of the Honourable House.

This Bill seeks to achieve something. By that something I mean that under the Muhammadan law, as Honourable Members probably know, there are three classes of *waqf*, viz., purely public, *quasi*-public and purely private. These are the three classes of waqfs recognised by the Muhammadan jurists. So far as the purely private *waqf* or *quasi*-public *waqf* is concerned, this Bill has nothing to do with it. It is excluded from the operation of this Bill. It only deals, as Honourable Members are aware, with public *waqf*, or in other words, with waqfs in which the donor has dedicated all his income for the use of the public, and has not kept even a single pice for the use of his descendants or for himself. Now, so far as the other two waqfs are concerned, when the donor gives a certain amount to his descendants and certain amount to charitable purposes, it is a *quasi*-*waqf*, and when he gives the entire benefit to his descendants, it is a purely private *waqf*. That *waqf* was validated by the Act of 1913 when the Waqf Validating Act was passed. Now, Honourable Members are concerned only with the purely public *Waqf*. Before the passing of the Civil Procedure Code of 1908, I find that the District Judge—I have already said that the District Judge is a *Kazi* under the Mahomedan law—was dealing with disputes arising out of *Waqf* properties as a *Kazi*, but by a recent provision of the law I find that the powers of the District Judge as *Kazi* have been curtailed with regard to the procedure to be followed in any suit or in any application in respect of *Waqf* property in which purely public interests are concerned. When there is a litigation, when there is an application or a suit before the District Judge in regard to a dispute arising out of a public *waqf*, I find the powers of the District Judge with regard to procedure have been curtailed by section 92 of the Civil Procedure Code. I will read the section with your permission, Sir:

"In the case of, any alleged breach of any express or constructive trust created for public purposes of a charitable or religious nature, or where the direction of the Court is deemed necessary for the administration of any such trust, the Advocate General or two or more persons having an interest in the trust and having obtained the consent in writing of the Advocate General, may institute a suit, whether contentious or not, in the principal Civil Court of original jurisdiction or in any other Court empowered in that behalf by the Local Government within the local limits of whose jurisdiction the whole or any part of the subject matter of the trust is situate to obtain a decree, removing any trustee—in this case Mutwali—

- (a) removing any trustee;
- (b) appointing a new trustee;
- (c) vesting any property in a trustee;
- (d) directing accounts and inquiries;
- (e) declaring what proportion of the trust-property or of the interest therein shall be allocated to any particular object of the trust;
- (f) authorising the whole or any part of the trust-property to be let, sold, mortgaged or exchanged;
- (g) settling a scheme; or
- (h) granting such further or other relief as the nature of the case may require.

(2) Save as provided by the Religious Endowments Act, 1863, no suit claiming any of the reliefs specified in sub-section (1) shall be instituted in respect of any such trust as is therein referred to except in conformity with the provisions of that sub-section."

This being the law, this being the stringent law, would you think for a moment that, where there is a *waqf* of the nature of a purely public

[Khan Bahadur Maulvi Amjad Ali.]

character, anyone of the Muslim public will think it necessary on his part to institute a suit of this nature to the District Court? How is he interested? You know, in the first place, that in a public trust nobody is interested individually. In a public trust everyone is interested only as one of the Members of the public. Everybody's business is nobody's business. So, in this case would you think that in the case of a public waqf, as contemplated by this Bill, if the *mutwalli* is found guilty of breach of trust or any other neglect of duty, any one Mussalman in the whole of India would come forward of his own free will to pay a large sum of money from his own pocket! Why should he? He is not personally interested in the property; he will not gain anything thereby. It is in the interest of the public. The usufruct will go to the public and to no particular individual. So, not a single Muhammadan from any part of India will come forward with a suit like this because of the fact that he is not individually interested, he will not pay a single farthing out of his own pocket. People are not so liberal. This is one ground, Sir, why, when a *mutwalli* of a public trust is found guilty of misconduct, his action is not sought to be brought before the Court. This has been my experience for the last 20 years. This is one ground.

Let me point out another ground why this provision of law, that section 92, is an insuperable bar in the way of bringing a suit against a *mutwalli* in the Court. The second ground is that he has to go to the Collector or if it is a Presidency town, then he has to go to the Advocate General to obtain his sanction. This is a condition precedent to the filing of the suit, under section 92 of the Civil Procedure Code,—before instituting a suit, he must go to the Advocate General or to the Collector for permission to institute a suit. Would anyone think that any human being is so generous as to spend large sums of money, to go to the Advocate General to institute a suit simply to punish the dishonest *mutwalli*. I do think there is none. It might be contended that instead of going to the Advocate-General, one can go to the Collector for permission. Yes, one can go to the Collector for permission. But who will go to the Collector for permission? There also the same question arises, i.e., spending money. If in seeking permission a man has got to spend money, he may not go to Court at all. So, I think this provision of law stands in the way of bringing dishonest Mutwallis before the Court of the District Judge for punishment for his misbehaviour. This law is very stringent one whereas the Muhammadan law which is in force in this country is not so stringent. In the case of *quasi-public waqfs*, in the *private waqfs*, the parties interested and aggrieved by the conduct of the *Mutwalli-run* to the Court of the District Judge and file petitions against him and the District Judge entertains their petitions and adjudicates upon them. There it is only a question of petition. This law under consideration does not make any provision of that kind. This Bill makes the aggrieved party take protection under section 92 of the Civil Procedure Code, which is impracticable and nobody will ever think of doing it. I therefore submit to this Honourable House that if it really desires to punish the dishonest *Mutwalli* and save the trust property, it should make some easy provision as was made by my friend, the author of this Bill. But he put it "suit", but in my amendment I have "application". If you put in "suit", who will care in this world to pay a large amount on stamps? There are properties yielding crores and lakhs. Who will care to pay the necessary amount on stamp? Nobody is personally interested, as I have already submitted to

you. You must make some provision which will make this Bill acceptable to the country and at the same time useful to the country. You have got something which is not at all useful for the purpose for which it has been brought here, namely, to bring the dishonest Mutwalli to book. By the present provision you have not made any provision to safeguard the interests of the property, so to say. You are simply by this provision compelling him to go to the District Judge and file an account. It may be that he has purchased some beer for a certain amount of trust money as a luxury. How are you to punish him for this conduct of his? This Bill has made no provision, and as I have already submitted that procedure is impracticable. No one having no personal interest would have recourse to protection under section 92 of the Civil Procedure Code. If you want to save Muhammadan trust property which has been vested in the Mutwallis, if you really wish to do it, as I feel in my heart of hearts should be done, then I hope that this House will be very pleased to accept my amendment, which runs in these words:

" Clause 7 be re-numbered as 7 (2) and the following new sub-clause (1) be inserted before sub-clause (2) in the following terms :

(1) Notwithstanding anything contained in any law for the time being in force, any person interested in any Waqf or be trust relating thereto, may, without joining as party any one interested therein, and without obtaining previous sanction under section 92 of the Civil Procedure Code of 1908, file a petition before the Court against a Mutwalli for any misfeasance or breach of trust committed by such Mutwalli or for his any other improper conduct in respect of the Waqf property of which he is the Mutwalli and may, *inter alia*, pray that either the applicant or any one interested in the Waqf be appointed Mutwalli and the Court may—

- (a) direct the removal of such Mutwalli and appoint any one in his place; or
- (b) direct the specific performance of any act by the Mutwalli; or
- (c) grant any other consequential relief which the Court may, under the circumstances of each case, deem just and proper."

This is my amendment. Before I resume my seat I may say that though the Select Committee have made the Bill acceptable to the country, unfortunately they have lost sight of this salutary provision of law for which the dishonest Mutwallis would never dare commit any act of breach of faith so far as the waqf properties are concerned, and if any Honourable Member of this House opposes this amendment, I think he will be doing injustice to the Muhammadan community. There should be some provision under this Bill under which the dishonesty of the Mutwalli can be punished by the District Judge. With these words I move my amendment before the House. The amendment is worded very carefully and I hope it will commend itself to the acceptance of the House.

The Honourable Dr. Mian Sir Muhammad Shafi: Sir, by the amendment now before the House my Honourable friend seeks to get rid of the provision embodied in section 92 of the Code of Civil Procedure whereby the previous sanction of the Advocate General or of the Collector under section 98 is necessary in order to enable a person to institute a suit for the reliefs mentioned in that section. I venture to submit to the House that the provision embodied in section 92 is a very wholesome provision and in support of that contention I cannot do better than cite from a judgment of

[Dr. Mian Sir Muhammed Shafi.]

the Calcutta High Court reported in I. L. R. 24 Cal. 418. This is what the learned Judges of the Calcutta High Court say :

"The real object of the special provisions of section 539 seems to us to be clear. Persons interested in any trust were, if they could all join, always competent to maintain a suit against any trustee for his removal for breach of trust; but where the joining of all of them was inconvenient or impracticable it was considered desirable that some of them might sue without joining the others, provided they obtained the consent of the Advocate General or of the Collector of the District; and this condition was imposed to prevent an indefinite number of reckless and harassing suits being brought against trustees by different persons interested in the trust."

A wholesome provision like this, I venture to submit, is absolutely essential in the interests of justice and to prevent frivolous suits by any one and every one who chooses to come into the court in cases of this kind. The object of Maulvi Abul Kasem's Bill is twofold. In the first place it seeks to secure registration of Mussalman waqfs and in the second place he seeks to secure the publication and audit of accounts once a year, the object being that instead of groping in the dark as is the case at present, those who are interested in the maintenance and welfare of these charitable and religious endowments may have furnished to them materials upon the basis of which, should the trustee misappropriate, they may be able to go to the court and ask for the reliefs which are mentioned in section 92 of the Civil Procedure Code. The accounts rendered under this Act by the trustees once a year will enable persons interested in the maintenance of these charitable and religious endowments to see that the trustee is administering the property in the right way and should the accounts disclose to them any ground for a reasonable relief, then they will be in a position to go to the Collector or the Advocate General and on the basis of the proof which they have obtained from the statement of account filed in the court by the trustee under this Act, to obtain the previous sanction which is necessary for the institution of these suits. To go beyond this in this particular enactment, I submit, would be entirely unnecessary as well as undesirable. Further you will see according to section 6 of the Charitable and Religious Trusts Act of 1890, if a trustee without reasonable excuse fails to comply with an order made under sub-section (5) of section 5, such trustee shall without prejudice to any other penalty or liability which he may incur under any law for the time being in force be deemed to have committed a breach of trust affording ground for a suit under the provisions of section 92 of the Code of Civil Procedure, 1908, and any such suit may so far as it is based on such failure be instituted without the previous consent of the Advocate General, so that if the case comes within the purview of section 6 of the Act of 1920 no previous sanction of the Advocate General will be necessary. On all these grounds, I venture to submit that whatever may be the motive underlying the amendment which has been placed before the House, and I have not the slightest doubt that the motive is an excellent one, the amendment is both unnecessary and undesirable. If the trustee renders correct accounts, correct in the manner described by my Honourable friend, that is to say, if he marries his own son or his own daughters or his own brother out of assets in his possession belonging to the charitable or religious endowment, then I can assure my Honourable friend that that trustees will not remain Mutwalli of that endowment for long. If he imagines that by rendering correct accounts in that manner he is discharging himself of the liability and of the duties which are cast upon his shoulders by the law of waqfs as ordained by the laws of Islam, then I am afraid he will be labouring under a hallucination, and I have not the slightest doubt he will soon realize that persons interested

in the maintenance of that wakf can without any difficulty go to court and obtain his removal.

Mr. President: The question is that that amendment be made.

The motion was negatived.

Clause 7 was added to the Bill.

Clauses 8 and 9 were added to the Bill.

Khan Bahadur Maulvi Amjad Ali: I move:

"That in clause 10 the words 'with imprisonment which may extend to three months, or' be deleted."

(Cries of "Withdraw, withdraw.")

Before crying "withdraw, withdraw" will Honourable Members be pleased to listen. My amendment relates to certain drastic measures proposed by this Bill. I want to convince the House and I won't sit down till I convince the House of the truth and the force of my argument before this Honourable House. It is provided that if a Mutwalli is remiss in submitting accounts, on the first occasion he is to be punished with fine. If he is guilty of the same thing for a second or third time, he may be punished with imprisonment for three months or with fine which may extend to a thousand rupees. Now, in the first place, the word "imprisonment" is not qualified; it may be either rigorous or simple. In most sections of the Penal Code providing imprisonment for offences provision is made for simple or rigorous imprisonment. But here power is vested in the court to punish a Mutwalli with imprisonment which may be either simple or rigorous. So on this ground it is objectionable that a Mutwalli who has failed in filing the account should undergo hard labour. Secondly, imprisonment is not necessary at all in my humble opinion. For Honourable Members know that a guardian appointed by a court to administer a minor's property who may remiss in his duties is liable only to a fine. There is no provision in that Act for punishing him with imprisonment. So, I think, this provision in the measure before us is very drastic. Fine will be quite sufficient in my opinion. The law says that he may be punished with fine which may extend to Rs. 2,000. That I think will quite meet the requirements of the case. Is not this measure a drastic one? I hope Honourable gentlemen will agree with me and throw out this provision, so that the Muhammadan people of India may accept the Bill with some amount of eagerness; otherwise when people go through the Act, they will see that a Mutwalli is liable to be punished with imprisonment in addition to fine and they will not like it. It will be difficult for donors to find Mutwallis. Who will come to do service for nothing? The Mutwalli will accept it so long as there is no risk in it. He would not get anything beyond his allowance. His children would not get anything. Who will be such a fool as to undertake this business of the Mutwalli in this way? This is a most drastic measure indeed. In the interests of the people of this country this provision should not be allowed to stand, and my submission is that such a provision is altogether uncalled for and unwelcome, and I hope that my submission will commend itself to the House. With these few words, I move my amendment.

Mr. President: The original question was that clause 10 do stand part of the Bill.

Since which an amendment has been moved:

"That the words 'with imprisonment which may extend to three months, or' be omitted."

The question is that that amendment be made.

The Assembly divided :

AYES—45.

Abdul Quadir, Maulvi.
 Abdulla, Mr. S. M.
 Abul Kasem, Maulvi.
 Agarwala, Lala Girdharilal.
 Ahsan Khan, Mr. M.
 Akram Hussain, Prince A. M. M.
 Allen, Mr. B. C.
 Amjad Ali, Maulvi.
 Ayyar, Mr. T. V. Seshagiri.
 Bagde, Mr. K. G.
 Barodawalla, Mr. S. K.
 Bhanja Deo, Raja R. N.
 Bhargava, Pandit J. L.
 Bishambhar Nath, Mr.
 Bradley-Birt, Mr. F. B.
 Bridge, Mr. G.
 Chaudhuri, Mr. J.
 Clark, Mr. G. S.
 Cotelingam, Mr. J. P.
 Ghulam Sarwar Khan, Chaudhuri.
 Ikramullah Khan, Raja Mohd.
 Iswar Saran, Munshi.
 Jafri, Mr. S. H. K.

Jamall, Mr. A. O.
 Jamnadas Dwarkadas, Mr.
 Jatkar, Mr. B. H. R.
 Jejeebhoy, Sir Jamsetjee.
 Latthe, Mr. A. B.
 Mukherjee, Mr. J. N.
 Nabi Hadi, Mr. S. M.
 Neogy, Mr. K. C.
 Pyari Lal, Mr.
 Ramji, Mr. Maumohandas.
 Rangachariar, Mr. T.
 Reddi, Mr. M. K.
 Samarth, Mr. N. M.
 Sarfaraz Hussain Khan, Mr.
 Sarvadhikary, Sir Deva Prasad.
 Schamnad, Mr. Mahmood.
 Shahani, Mr. S. C.
 Singh, Babu B. P.
 Ujagar Singh, Baba Bedi.
 Venkatapatiraja, Mr. B.
 Vishindas, Mr. H.
 Webb, Sir Montagu.

NOES—23.

Abdul Majid, Sheikh.
 Ahmed, Mr. K.
 Ahmed Baksh, Mr.
 Aiyar, Mr. A. V. V.
 Ayyangar, Mr. M. G. M.
 Basu, Mr. J. N.
 Das, Babu B. S.
 Faiyaz Khan, Mr. M.
 Faridoonji, Mr. R.
 Gour, Dr. H. S.
 Holme, Mr. H. E.
 Hussanally, Mr. W. M.

Joshi, Mr. N. M.
 Man Singh, Bhai.
 Muhammad Hussain, Mr. T.
 Muhammad Ismail, Mr. S.
 Nag, Mr. G. C.
 Percival, Mr. P. E.
 Shahab-ud-Din, Chaudhri.
 Sinha, Babu Adit Prasad.
 Sinha, Babu Ambica Prasad.
 Sohan Lal, Mr. Bakshi.
 Srinivasa Rao, Mr. P. V.

The motion was adopted.

Clause 10, as amended, was added to the Bill.

Clause 11 was added to the Bill.

Mr. S. K. Barodawalla (Bombay City: Muhammadan Urban): Sir, on the assurance given by the Honourable the Law Member that he is going to provide that the Local Governments will be empowered to exempt any community that they like from the operation of this Act. I beg leave to withdraw this amendment.*

Clause 12 was added to the Bill.

Mr. President: As a matter of fact, the new clause to be moved by the Honourable the Law Member covers the point raised in the next amendment.

The Honourable Dr. Mian Sir Muhammad Shafi: Sir, I beg to move that a new clause, clause 13, be added, as follows :

" 13. The Local Government may by notification in the local official Gazette exempt from the operation of this Act or of any specified provision thereof any *waqf* or *waqfs* created or administered for the benefit of any specified section of the Mussulman community."

* " At the end of clause 12 of the Bill the following be added :

" (c) apply to the Dandi Bohra (Muhammadan) community."

The Honourable Members will, I think, see quite easily the object of this amendment. Administration of trusts is a provincial transferred subject in charge of Ministers and, therefore, it is wise that, in so far as the actual working of the two main principles embodied in the present Bill are concerned, the fullest liberty should be left to the Ministers to apply those provisions. There may be in certain provinces some sub-sections of the Moslem community who stand on an entirely different footing from the rest of the community with regard to the position as well as the administration of trusts which they may have created. It is prudent in these cases to leave it to the Local Government, should the circumstances of a given province or *waqf* so require, liberty to exclude that *waqf* or those *waqfs* from the purview of this Bill. Such a liberty of action to the Local Government is in the best interests of the community itself.

I hope, therefore, that the House will accept this amendment.

Mr. W. M. Hussanally: If the Honourable Member will permit me, I would like to add a little proviso.

"with the consent of the local Legislature."

The object I have in view is this that whereas I am not—against Bohras being excused from the operation of this Act, it is likely in the near future that this Act will be made applicable to other endowments besides Mahomedan and in that case a difficulty will arise, and that is this, that in certain cases while a particular sect may like that a particular endowment may evade the operation of this Act, the general community may not like it. Therefore if the matter is discussed in the Local Legislatures and thereafter the exemption is made it will be in the interests of everybody; and that is why I suggest that amendment.

The Honourable Dr. Mian Sir Muhammad Shafi: I suggest to my Honourable friend, Mr. Hussanally that the Minister being in the discharge of his ordinary duties responsible to the Local Legislature, is not likely to take action under this section unless he fully realises that in that action he is supported or will be supported by at least the majority of the Local Legislature. In a matter of this kind to add such a proviso as is suggested by my Honourable friend, is, I think, undesirable.

Lala Girdharilal Agarwala: Sir, I want simply to say one word. I am greatly thankful to the Honourable the Law Member for his amendment which I suppose, will cover a large number of cases, but may suggest a word to be added to that amendment—"may exempt or restrict" from the operation of this Act. The object is that there are some Waqfs belonging to the Shia Community and they would not like that persons who do not belong to their own community should take action under this Act. There are Waqfs belonging to other communities also who live in air-tight compartments and who do not like to be interfered with by persons belonging to other communities. So if Waqfs are totally exempted that will not be quite sufficient; but if the application of the Act is restricted in the way I suggest, it will meet the case. My object is that in the application of this Act, certain Waqfs may either be totally exempted from the operation of the Act or that its operation might be restricted, and that was the reason I put forward my own amendment:

"Nothing herein contained shall authorise any Mussalman to take action under this Act in regard to Waqfs of a sect to which he does not belong."

Mr. President: I see that the Honourable Member does raise a somewhat different point from that raised by the Honourable the Law Member. The Honourable the Law Member's new clause empowers the Local Government to exempt any section of the community from having the Act applied to it at all. The Honourable Member's point is different. He does not want the provisions of the Act set in motion against one sect by persons belonging to another sect, which is a different question.

Mr. K. C. Neogy: Sir, I rise to a point of order. The Honourable the Law Member not being a Member of this House, is he entitled to move an amendment?

Mr. President: The Honourable Member is quite right.

The Honourable Sir Malcolm Hailey: Sir, we seem to have fallen into error on that point. My Honourable friend, Sir Muhammad Shafi, is so well known in this House that we regard him as one of ourselves; but if you will allow the amendment to stand in my name, I shall be grateful.

Mr. President: The question is:

"That the following new clause be added to the Bill:

"13. The Local Government may by notification in the local official Gazette exempt from the operation of this Act or of any specified provision thereof any Waqf or Waqfs created or administered for the benefit of any specified section of the Mussulman community."

The motion was adopted.

Lala Girdharilal Agarwala: I beg to move that a new clause be added at the end, namely:

"13. Nothing herein contained shall authorize any Mussalman to take action under this Act in regard to waqf of a sect to which he does not belong."

Sir, I have already explained my object; the amendment which has just been carried would not exactly cover this case and it is necessary to safeguard the interests of various different classes and communities, who although they are Muhammadans, still observe differences of opinion and differences of custom to some extent and who might not like persons belonging to other sects to interfere in their affairs. It is for this reason and with this object that I beg to move my amendment.

Mr. S. K. Barodawalla: Sir, I will not take up the time of the Assembly, but I give my full support to the amendment. As has been pointed out, no community has a right to interfere with the affairs of another community and no very long speech is needed on this as we have instances in other communities also; among the Hindus also we know that one community does not like that any other community should interfere in its affairs; I think, therefore, this amendment should be accepted by this House.

Maulvi Abul Karem: Sir, I would have been very glad to accept the amendment moved by my Honourable friend, Mr. Girdharilal Agarwala. I want to tell him that, distinguished lawyer as he is, there is nothing in the provisions of this Bill which asked any Muhammadan or anybody to interfere with anything. It is only the Mutwalli who is asked to register his waqf and to submit accounts, so there is nothing in it. If he has to move an amendment like that, he will have to move an amendment to section 192 of the Civil Procedure Code.

The Honourable Sir Malcolm Hailey: May I point out to Mr. Abul Kasem that Mr. Agarwala's amendment obviously has reference to clause 4. If he will read that clause, he will see that "any person may apply to the Court by a petition in writing for the issue of an order requiring the Mutwalli to furnish further particulars or documents. Now let us take a case in point. If it were a case of a Shia wakf, then a Sunni could not move the Court. It is a matter, I think, in which the community must decide for itself whether they wish to restrict action under clause 4 to Members of the particular sect or to a section of Mussalmans for whose benefit the endowment was intended. But I myself see some difficulty in the amendment as it stands. Let us assume again that a Sunni wakf has left money for purely charitable purposes or for purely education purposes. Will the Court be able to decide whether that wakf is, in the words of the amendment, a wakf of a particular sect? Does the particular sect of the donor determine the nature of the endowment if the endowment is for purely general purposes? I can quite understand that if the endowment was for the purposes of Shia education or charity to Sunnis or to Khojahs, then the amendment might apply. I suggest that if the Court is to be able to decide exactly what is meant by a wakf of a particular sect, then some better definition than that will be required than is given in the amendment.

The Honourable Dr. Mian Sir Muhammad Shafi: Sir, should an endowment or a wakf be purely for the religious purposes of a particular sect, it is obvious that any member of another sect would not be a person having an interest in the maintenance of that wakf. Should, however, the wakf be for a general charitable or pious purpose, then every Muhammadan would have an interest in the maintenance of such a wakf. Therefore, whether in a particular case a particular person applying for relief is a person having an interest in the maintenance of the wakf, is a question which will depend upon the circumstances of each case, and it would, therefore, I submit be unwise, if I may venture to say so, to enact a provision of this kind.

The Honourable Sir Malcolm Hailey: Might I make one additional remark, Sir, that, if the amendment is carried in its present form, it will, as the House will see from clause 4, allow a Hindu to apply to the Court but not a Muhammadan of a different sect.

Mr. President: The question is that the new clause be added.

The motion was negatived.

The Honourable Sir Malcolm Hailey: Might I suggest a purely formal change which has just been brought to our notice; it may save trouble hereafter. We proposed the addition of the words "by a Court" in sub-clause (c) of clause 2. We think that the words should be "a Court of competent jurisdiction" in order to fall into line with the language used later on in the Bill.

Mr. President: On the motion that the Bill be passed that amendment can be made.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

Maulvi Abul Kasem: I now move, Sir, that the Bill, as amended, be passed.

The Honourable Sir Malcolm Hailey: I now make the motion I referred to:

"That in clause 2, sub-clause (c), for the words 'or by a Court' the words 'or by a Court of competent jurisdiction' be substituted."

Mr. President: The question is:

"That in line 4 of sub-clause (c) of clause 2, after the words 'or by a Court' the words 'of competent jurisdiction' be added."

The motion was adopted.

Mr. President: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

The Assembly then adjourned for Lunch till Fifteen Minutes Past Three of the Clock.

The Assembly re-assembled after Lunch at Fifteen Minutes Past Three of the Clock. Mr. President was in the Chair.

THE SPECIAL MARRIAGE BILL

Dr. H. S. Gour (Nagpur Division: Non-Muhammadian): Sir, I have already presented the Report of the Select Committee to amend Act III of 1872, and I now move that the Bill be taken into consideration. Honourable Members will see that the Bill as it was originally introduced by me in this House was a purely Civil Marriage Bill, that is to say, it was a marriage Bill in which two persons, subject only to the law of consanguinity which I need not advert to now, were free to marry under the Act as I proposed to modify it. Since then, the Select Committee have made certain changes restricting the scope of the Bill, and I should like Honourable Members to realise the changes made and its effect upon the Bill as introduced in this House and committed to the Select Committee. As I have said, the Bill, the principle of which was accepted by this House, was a purely Civil Marriage Bill. It included all classes and excluded no community. When it went before the Select Committee Members of that Committee thought that we must go along the line of least resistance and exclude from the provisions of our Bill classes which did not want to come within its scope. As such we have excluded Muhammadans, Parsees and others and have restricted the operation of the Bill to four designated classes of persons, namely, Hindus, Sikhs, Jains and Buddhists. We have also out of deference to the opinions received set out certain rules regarding succession and also inserted other provisions relating to adoption and management and succession to religious endowments. I should like briefly to justify the changes made by the Select Committee and point out to the House why it is now an acceptable measure. Some of my friends who voted for the Bill upon its second reading when it was referred to the Select Committee feel dissatisfied that the measure has been truncated and deprived of all the provisions which they regard as essential. I should

like to explain to them that the measure which I ask the Honourable Members of this House to take into consideration has in no way abridged or curtailed the pre-existing rights which existed under the original Act III of 1872. Those who object to the added provisions are still free to contract marriages under the original Act. They may entirely ignore the provisions of the added sections. But, as I have said on the last occasion when I had the honour of speaking on this Bill, one objection which persons who are required to sign a declaration under that Act raised was that they could not conscientiously sign a declaration with a mental reservation and that it was not right that the law should compel them to sign it. I shall very briefly point out the reasons—the historical reasons—which culminated in the framing of that form which constitutes a declaration under the Act. As far back as 1832 a Royal Commission was appointed by an Act of Parliament for the purpose of revising and codifying certain important branches of Indian law. That Royal Commission sat and framed what is now known as the *lex loci* Act, the official designation of which is the Removal of Caste Disabilities Act. That Act was enacted as Act XXI of 1850. The underlying principle of that Act was that no person shall suffer any penalty by the mere fact of his renouncing a caste or religion. Later on, in 1856 the Legislature passed what is known as the Hindu Widows' Re-marriage Act. That legalised the re-marriage of widows. In 1868 that great jurist and lawyer Sir Henry Maine, the then Law Member of the Viceroyal Council, pointed out in the late Imperial Legislative Council that it was the bounden duty of the Sovereign to provide for the marriage of all his subjects and if they wished to marry, no impediment by caste, creed or otherwise should stand in the way. If the State does not enact a Civil Marriage Law the consequence is that it leads to promiscuous intercourse and concubinage. He therefore placed before the Legislative Council a Civil Marriage Bill. But before that Bill could become law his term of office ended and he was succeeded by another jurist, Sir James Stephen and he again circulated the Bill, collected all the opinions and made the following summary of the cases to which he adverted. This is what he said:

"The cases which I have quoted appear to me to establish in the broadest way that on the most general principles it is just, equitable, and according to good conscience that all men should have a right to marry although the law to which they are subject may prescribe the manner in which their right is to be exercised. In India, as we all agree, there is no fundamental common law other than the law of justice, equity and good conscience upon this subject. If a man is not a Hindu, nor a Muhammadan, nor a Parsi, nor a Christian, nor a Jaina, no form is prescribed for him by law. Does it follow that he cannot marry at all? Certainly not. What follows is that his right must be determined by the general maxim that contracts for a lawful object and made on good consideration are valid and must be performed, and I have yet to learn that marriage is in a general sense, unlawful or immoral or a promise to perform conjugal duties by the wife or the husband is not a good consideration for the promise to perform reciprocal duties by the husband or the wife."

He then said that we must have a Civil Marriage law. Then the question arose whether there was a large public opinion to support the enactment of such a marriage law. The Brahmos of Bengal who had moved the Imperial Legislative Council to enact a law for themselves were of opinion that they were perfectly prepared to declare themselves as non-Hindus and therefore they accepted the form which was then prescribed and Act III of 1872 became an Act of the Imperial Legislature. A very large number of marriages have been contracted under the Act of 1872 but in a recent case their Lordships of the Privy Council laid down that both Brahmos and Sikhs as well as Jains were Hindus and the decision of Sir James Stephen, who had in 1872 taken for granted that if the Brahmo said he was not a

[Dr. H. S. Gour.]

Hindu there was an end of the matter, was upset by the decision of their Lordships of the Privy Council. Well, Sir, that was the state of the law till the judgment of the Privy Council was given. About 13 years ago the Honourable Mr. Bhupendra Nath Basu, now a Member of the Secretary of State's Council, revived this piece of legislation which Sir Henry Maine had placed before the Legislative Council and it was considered but afterwards it failed to become law. Later on Mr. Patel wanted to introduce and did introduce a more restrictive measure legalising the marriages between the Hindus of different castes and it was referred to a Select Committee, but after it emerged from the Select Committee, it was considered that as the reforms were about to be announced and the constitution of the Imperial Legislative Council revised, it would be better if this measure was reintroduced in the popular Chamber. Well, Sir, taking the cue from the deliberations of that Council, I took the earliest opportunity of reintroducing a measure which has been referred to the Select Committee and which emerges from that body with a unanimous report. This is, Sir, shortly the history of marriage law in this country. After it came back from the Select Committee I have been besieged with inquiries by my friends of both complexions, reformers and orthodox and I shall now briefly explain the reasons which have led the Select Committee to recommend for enactment this measure in the form in which it is presented to this House. I shall first deal with the objections of the reformers. They say "What we wanted you to do is to enact a general civil marriage law. What you have done is to decapitate the measure the principle of which we accepted and it has come out of the Select Committee in an extremely crippled, restricted and circumscribed form. If we are to fight for civil marriage law, let our fight be continued but we are not prepared to accept this half-way house. To them I say, Sir, that the Select Committee have very carefully considered this objection of the reformers and they came to the conclusion that it is much better in a case of this kind to take along with them public opinion and it is better that we should have a narrow and restricted measure than to work for a Civil Marriage law. Then, Sir, to them I say that if the Bill is not acceptable they are not better off and no worse off than they were under Act III of 1872. The additional sections which are awaiting your judgment are sections which are purely permissive and they entitle every man, be he a Hindu, Jaina, Sikh or Buddhist, to ignore the provisions of those sections and resort to the pre-existing law. It binds nobody; it obliges no one; it is a purely permissive measure and it is made amply clear that it is so. Therefore, I submit that if anybody has any objection on the ground that the measure now before the House is a narrow and a more restricted one, he has only to say to himself, "I shall ignore it; I am in no way prejudiced by it and therefore I should not object to it." Then, Sir, it has been said that this measure creates a paradox. Under Act III of 1872, a Hindu contracting a marriage by subscribing to a declaration that he does not profess the Hindu religion still remains subject to Hindu law regarding succession and the enjoyment of his property; but by making a declaration under this part of the Act that he is a Hindu he will be deprived of his personal law and he will be subjected to the restrictions now embodied in the various sections of my Bill. My answer is that, here again it is a matter of opinion. If you wish to make a declaration under the first part, by all means do so, and you will continue to enjoy all the rights and privileges which are given to you under that part of the Act. But if, on the other hand, you have

conscientious scruples in the making of a declaration under that part of the Act, then you declare under the second part and place yourself under the disabilities created by that part. You are in no way prejudiced. Your position has been improved to the extent that you are not bound to make a declaration which you cannot conscientiously subscribe to, for you are given the option of subscribing either to one declaration or the other.

Then one of my esteemed friends asked me, what about collateral succession. Well, Sir, the Members of the Select Committee have anxiously considered this question and they came to the conclusion that regarding collateral succession a person who contracts marriage under this part of the Act should not be placed in a position of greater disability than a person who comes under the *lex loci* Act; in other words, that a person who contracts a marriage should not be put in a worse position than a convert; and therefore whatever may be the law relating to converts and to persons subject to the Act or coming under the Act of 1850 that shall be the law which will apply to a person who contracts marriage under this part of the Act. So that, Sir, so far as that question is concerned, it has been settled by the Select Committee in the manner I have indicated regarding succession. Regarding succession and the enjoyment of religious rights I have to say a few words. Regarding succession the Members of the Committee were divided, as is mentioned in the report of the Select Committee. The reason why the majority of them agreed that succession should be regulated by the Indian Succession Act, rather than under the normal Hindu Law was that under the Indian Succession Act, daughters and wives acquire a certain vested right of which they are deprived under the Hindu Law. The special disabilities created by Hindu Law against the succession of females would be removed if the general Law of Succession as embodied in the Succession Act is made applicable to persons who marry under that part of the Act. Here, again, I wish to remind the Honourable Members of this House that they are at liberty to marry under either the first part or the second part, and if they wish to come under the Indian Succession Act, then and then only they need marry under that part.

• Then, Sir, it has been said "What about religious endowments and their management?" Well, Sir, the mere fact that inter-caste marriages and marriages between Hindus and the followers of allied faiths would be possible under this Act makes it impossible that persons who contract marriages under this Act should continue to enjoy as of right the right of management of religious trusts; and, therefore, the Select Committee have made that provision.

Now, Sir, as regards the law of adoption. So far as the law of adoption is concerned, two questions arise, one that the father of such married person may adopt a son to himself and, secondly, that he may wish to make an adoption. As regards the father's right to adoption, if he chooses and if he finds that the son has gone out of the family by contracting a marriage which he disapproves of, he is entitled to make an adoption. Honourable Members will know with the larger powers of testamentary disposition which are coming into force in this country, the law of adoption is now receding into the background. Every Hindu possessing his self-acquired property is entitled to bequeath it to anybody he likes; and so far as the person who marries under this part of the Act is concerned, he, having elected to be bound by the provisions of that part of the Act, to which I refer, has been deprived of the right of adoption. I do not say that

[Dr. H. S. Gour.]

these provisions are all justifiable, but what I do say is that these are the provisions which have been inserted in the Bill on a compromise made with my orthodox friends. The Honourable Sir Sivaswamy Aiyer on the last occasion when he enlightened the House with his views said that the time had come for a measure of this character, but he demanded that certain restrictions should be embodied in the Bill so as to make it clear upon the points to which I have adverted. I have, Sir, carried out his wishes, and I hope that after the restrictions that have been inserted, my friends, orthodox friends, Rao Bahadur Rangachariar and Sir Sivaswamy Aiyer, will accord to my Bill the whole-hearted support which it now deserves. There remains, Sir, the question of Muhammadans. No one was more grieved than I was when the Select Committee deleted the Muhammadans from the provisions of this Bill. But, I felt, Sir, that if we are to carry our Muhammadan fellow-subjects with us, we could not force this measure down their unwilling throats. And as the majority of them were not yet prepared for this piece of legislation, we thought it wise and right that we should exclude them. We have been told, Sir, by some of my over-cautious Muhammadan friends, "you have excluded the Muhammadans to-day, but some person might include them to-morrow, and so the Muhammadans will come in for the disabilities of this part of the Act." But my friends have merely to read my Bill to see how utterly impossible it will be for the Muhammadans to come under this part of the Bill. They have no adoptions; they have no shibais, their law of succession is different, and the Bill expressly mentions that it applies only to Hindus, Jains, Sikhs and Buddhists, and I therefore say, Sir, that if some enterprising spirit were to bring in an amending Bill, what is there to prevent him from introducing an independent measure. I submit therefore there is nothing in this objection. The fear of any Muhammadan reformer bringing in a measure hereafter is a standing fear, and is certainly not aggravated by the introduction of my Bill. These are all the objections which have been addressed to me and I have striven, very briefly, to reply to them. I commend, Sir, my proposition to the acceptance of the House.

Rai Bahadur Pandit J. L. Bhargava (Ambala Division: Non-Muhammadan): Sir, I move:

"That the Bill as reported by the Select Committee be recirculated for the purpose of obtaining further opinion thereon."

At this stage I consider it quite unnecessary to enter into the merits of the principle of the Bill, or the history of Act III of 1872, or the subsequent attempts that were made to modify or to extend it. In this connection it will suffice to say that the Bill, though permissive in its nature, is of a highly controversial character, and all the motions that have been made by the Honourable Mover of this Bill have met with strong opposition in this House. The Bill was opposed when it was introduced. When the motion for referring it to Select Committee was made in January 1922 that motion was negatived by this House after a very lengthy and full discussion; and when it was referred to a Select Committee in September last, it was only by a bare majority of one vote. I am also not unaware of the fact that the Bill in its original form was circulated for opinion, and the opinions that were obtained on it were before the Select Committee; but the Bill as it is presented in its amended form is so much modified and

altered that the members of the Select Committee themselves have considered it necessary to recast it, and the object of my motion is to circulate the Bill as it has emerged from the Select Committee for opinion of the persons who are affected thereby. It has been pointed out by the Member in charge of the Bill that the scope of the Bill has been restricted, and there is no doubt that the Christian, Muhammadan, Jewish and Parsee communities have been excluded from the scope of the Bill, but that is no reason why these communities should not consider and see whether this Bill is good for the communities which will be affected by it. The communities which remain are the Hindu, Sikh, Jaina and Buddhist communities. These communities will remain affected and the exclusion of other communities will not affect them in the least so far as the main principle of the Bill is concerned.

Sir, as has been pointed out by the Honourable Member in charge of the Bill, certain matters have been introduced by the Select Committee. One of them is that marriage according to this Act will have the effect of separating the person marrying from the joint family of which he is a Member. The other is that in matters of succession the party marrying under this Bill will be governed by the Indian Succession Act, and there is also a provision that the person marrying under this Bill shall have no right to adopt. These are matters of vital importance and of great significance. It is stated in the Report of the Select Committee that "all reasonable and legitimate objections urged against the original Bill in the opinions received on it have been sufficiently met." The question is whether these objections have been sufficiently met or not, and whether the Select Committee had the opinions of those communities whom the Bill will affect on the questions which have been introduced into the present Bill before them. It might be said that these opinions had reference to these questions and it is reference to these questions that has led the Select Committee to introduce these matters. No doubt there is a passing reference incidentally made in some of the opinions about these questions, but the reference is simply to the effect that these questions will arise. There is no definite and considered opinion upon all these matters and it is therefore necessary, before this House is in a position to pass this Bill or to consider the motion that has been made before it, that the opinions of all those persons who will be affected on these points which have been introduced by the Select Committee, and upon which they have had no opportunity of expressing their opinion, should be before this House. And the fact that on a very important question the Members of the Select Committee themselves were not agreed is a strong argument that the opinions of the representatives of those persons who will be affected by the Act should be obtained. Looking to the nature of the amendments that have been made in the Bill and to the nature of the changes that have been introduced, it is highly desirable that the Bill should be recirculated for further opinion.

With these remarks, Sir, I move my amendment.

Munshi Iswar Saran (Cities of the United Provinces: Non-Muhammadan Urban): Sir, it is a cruel irony of fate that I find myself supporting my Honourable friend, Mr. Bhargava, on this point. The House will see that I had given notice of the same amendment but with a different object. My Honourable friend wishes somehow to kill this Bill, I wish that the Bill should be improved; but, according to the rules, both of us had to give notice of the same motion. I do not wish, Sir, to make a

[Munshi Iswar Saran.]

secret of my own views and convictions on this question. I am one of those who are thoroughly, completely, dissatisfied with the Bill as it has emerged out of the Select Committee. Without meaning any offence I think that its opponents on the Committee got the better of my Honourable friend the Mover of this Bill and introduced clauses into this Bill which have made it practically ineffectual. Sir, when this Bill was circulated for opinion the House will remember that there was a very short Bill which only sought to take out certain words from the Special Marriage Act of 1872. The opinions that were given by the various High Courts and by various public bodies related to the Bill as it stood then, but since this Bill has been modified in the Select Committee in very important details and as it is a measure of a far-reaching character I do think that it is fair to the public and fair to us that we should know what they think about the changes thus introduced. My friend has airily brushed aside all these objections. He says, "Oh, well, if you do not agree with this Bill, then you take advantage of Act III of 1872; but if you do agree with it, then come and marry under this Act." Now I am afraid my Honourable friend does not realise the position which I and those who think like me occupy. I am with him whole-heartedly—I might almost say, enthusiastically, on the question of reform in this matter; but I look at the whole question from the standpoint of a Hindu. What I say is this. A Hindu cannot go and get married under Act III of 1872. He cannot go before the constituted authority and say "Well, I do not profess Hinduism." That is a lie. What is the alternative that he has? He comes here, the same man, and says "All right, I shall marry under this beneficent measure which has been given to us by Dr. Gour." And what does he find? He finds that he practically ceases to be a Hindu.

(An Honourable Member: "How?")

Munshi Iswar Saran : Quite right—how? That is a very pertinent question and a very relevant question of my Honourable friend. Now if my Honourable friend will refer to any book on Hindu law or if he will take care to consider all those fundamental principles on which Hindu society is based, he will find that a very great deal of importance is attached to adoption, to succession and to other matters like these. What do you find here? I am a Hindu. Let the House remember that it can only form an accurate idea of my position if it does not forget that I am a Hindu. I have practically all those feelings, all those convictions, all those emotions which most Hindus have; but I feel that on this question there has grown up a custom which places an unnecessary restriction on the liberty of our action. But look at the difficulties created for us. Suppose I am a Brahmin and I marry in a Kshatriya family under Dr. Gour's Bill and I find that I have not got any issue and I believe in *Pinda dan* and the spiritual benefit that a son can confer on me, what do I find? I cannot adopt. I say, it gives a rude shock to my notions on this particular subject. I do not wish to be governed by the Indian Succession Act; I wish to be governed by the Hindu law. You say "Either you go and tell a lie before the sub-registrar or you consent to this." I say I will not accept this position; because you rob me of my right to be governed by the Hindu law and in its place you give me the Indian Succession Act which has been introduced into this country for the regulation of inheritance amongst non-Hindus. Then my friend says "Well, here is the Caste Disabilities Act." Sir, by my marrying under this Bill you deprive

me of my right to live with my brother, you deprive me of my right to adopt; you deprive me of my right to be governed by my own personal law and you say that this is a measure which is going to be used by anybody. It may be used; it may be used by those who are not Hindus, but Hindus of that class would much rather go and marry under Act III of 1872 than come and marry under the present Bill. These are important far-reaching changes which have been introduced by the Select Committee into this measure. I do not wish to speak at length at this stage, and I say that it is necessary, it is advisable, nay, it is imperative that you should collect the opinions of those who are entitled to speak upon it. My Honourable friend says public opinion will be satisfied. If the motion of my Honourable friend is rejected and if this Bill comes to be considered you will form a measure of public opinion by the voting that will take place. The fact of the matter is this. Let me say quite frankly—I am keener than Dr. Gour for this reform, but I do not wish to conceal it from myself that the vast majority of our people do not like it. This being so, some people say "Why do you then introduce it?" My answer to that is this: it is a permissive measure, it does not force you to marry under this measure if you do not care; there is a large and growing body of Hindu dissenters and it is for their protection, for the protection of a minority—call them a microscopic minority if you like, but still a minority—that this Bill has been brought forward. You say "Remove this restriction; remove this bar; let us be free to marry according to our choice." The law has imposed the restriction that if I marry against the custom of the locality or of the family, then the marriage is not a marriage in the eye of the law, the wife is not a wife in the eye of the law, and the children are not legitimate in the eye of the law. I cannot by any means get over this difficulty created by the law and it is therefore to the Legislature that I come for redress. If the House will permit me I wish to refer to a case which was decided by the Allahabad High Court. There was a case of marriage between a Brahmin man and a Kshatriya woman; it was argued that this marriage was contracted according to the custom prevalent in Nepal and the parties were Nepalese; the High Court did not sustain the plea put forward by the widow about the validity of her marriage. Now, it is against this position that we complain; we say that the law has created this difficulty for us, and it is the law alone which can remove this difficulty. But I say, if you want to remove this difficulty, remove it in a way that honest and genuine Hindus with Hindu ideas may be able to take advantage of this Act and I pray you, do not give us an Act which is not worth having. But, Sir, be that as it may, I do not wish to speak as to the various provisions that

4 P.M. are contained in this Bill. I only wish the House to consider this question whether it is prepared to take up this Bill at the present moment in spite of these important changes that have been introduced or whether it thinks it advisable to send it round for public opinion. I support the motion of Mr. Bhargava and I am distinctly of opinion that the Bill should be sent round so that Judges and others may be able to express their views on it.

Rai Sahib Lakshmi Narayan Lal (Bihar and Orissa: Nominated Non-Official): Sir, I stand to support this amendment. I do not like to traverse the grounds so ably put forward by my Honourable friend, Munshi Iswar Sran, but I want to support this amendment only on one ground. My Honourable friend, Dr. Gour, has kindly issued a pamphlet regarding this Bill. I have carefully gone through that pamphlet many a time, and if

[Rai Sahib Lakshmi Narayan Lal.]

I could rightly understand that pamphlet, I thought that the Honourable Dr. Gour was of opinion that this Bill would be of great political advantage for the Hindus. I am sorry I cannot agree with him in this view, but I do not like to labour that point at present. What I want to say at present is this, that if there was any political advantage in that Bill, that has been lost by excluding the other communities, and if this Bill as it is put now is pressed and passed into law, it will do a lot of harm without any good which it is supposed by Dr. Gour to do. I trust that this House will carefully consider this measure and vote for postponement of the matter at present.

Mr. Jamnadas Dwarkadas (Bombay City : Non-Muhammudan Urban) : I rise, Sir, to support the motion for taking the Bill into consideration introduced by Dr. Gour. We have on the other hand a motion for circulating the Bill for inviting public opinion thereon by my friend, Mr. Bhargava. Now, Sir, we are accustomed in this House to opposition to measures of this character by those who avowedly belong to the orthodox view, and I do not for a moment object to the view put forward by my friend, Mr. Bhargava. But I must confess to a sense of surprise and amazement at the support that he has been getting, and a powerful support too, from my Honourable friend, Munshi Iswar Saran, because if I correctly interpreted the views of my friend, Munshi Iswar Saran, he never belonged to that section of Hindus which take a pride in calling themselves conservatives or orthodox. Now, Sir, what is the attitude taken up by Munshi Iswar Saran? Why does he object to the Bill? He says there is not much difference between the Act of 1872, and the Act which will come in force if you pass this Bill into law. Now, Sir, can that objection stand? Those of the Honourable Members who were present in Simla when Dr. Gour introduced this measure, will remember that my sole reason for supporting it was that it secured to the individual the liberty of conscience which the Act of 1872 as it stood denied to him. I want to ask Honourable Members a serious question, whether if you pass the present Bill into law, it does or does not ensure that liberty of conscience that we want, it does or does not ensure that liberty of conscience that we wanted. (*Mr. B. N. Misra* : "No, it doesn't.") It does. What will be the effect of this Bill? My Honourable friend, Mr. Biswa Nath Misra, thought to know that it does secure that liberty of conscience which we want, and I will prove it to him in a minute if he will have the patience to hear me. What was our objection to the Act as it stood? Our objection was that, if a man belonging to one caste of Hindus married a girl from another caste, also of Hindus, both of them had to go and declare on oath that neither of them was a Hindu. That is, in order to secure the marriage they had to tell a lie on that solemn occasion and renounce their faith altogether. Now, the moment this Bill becomes law, if a boy of one caste of Hindus wants to marry a girl of another caste of Hindus, neither of them will be called upon to say "We are not Hindus and therefore we shall take advantage of this Act and get married." Both of them can retain their faith, both of them can be Hindus and yet the law will recognise their marriage as legal. Now, what are the objections which my Honourable friend, Munshi Iswar Saran, urged? He said: "Yes, it might secure to them this liberty of conscience, they may not have to renounce their faith, but in the eyes of the law they will not retain the power to be Hindus. They will not be able to make the Hindu law applicable to them in all instances as it would be

applicable in the case of ordinary Hindus." Now, I want to point out to my Honourable friend, Munshi Iswar Saran, that we are faced with a great difficulty in getting this measure through. There is an opposition from the orthodox community. I do not for a moment admit that that opposition is from a majority of Hindus. I do feel that at any rate at the present moment there are a majority of my community of Hindus who are prepared to confer on their fellowmen the liberty of conscience which has been so far denied to them. So that, so far as that argument is concerned it does not appeal to me that Hindus are not yet prepared to grant to their fellowmen the liberty of conscience that is wanted. But I want to point to my Honourable friend, Munshi Iswar Saran, the difference between these two things. First the highest thing that a man values, namely, liberty of conscience, which this Bill secures for him. Secondly, the objection which he has pointed out refers to the application of that law in those instances which gives him all the worldly rights which a man's being a Hindu entitles him to. Now, assuming for the moment that for the sake of compromise we have in the Select Committee not been able to give to such Hindus as will take advantage of this Act when it becomes law, that we have not been able to confer on them all the rights which ordinary Hindus enjoy on account of the worldly rights, after all what is that loss compared to the great and, higher gain that is a man's property if liberty of conscience is secured to him. To me it seems to be a very futile objection to urge for the purpose of defeating this measure. I wish, Sir, that I could persuade Members of this House not to delay for a moment, not to make a moment's delay in doing justice to those who have for long claimed and justifiably claimed at our hands the liberty of conscience. Not to allow this measure to go through at the present moment is to risk this measure being thrown out, is to risk inviting perpetual blame on the community that, while we are claiming and rightly claiming freedom from other quarters, we are not prepared to give to our fellowmen the liberty of conscience which as human beings it is their right to demand. I feel, Sir, that it would be a great mistake if this Bill was not taken into consideration. I feel that it would be a great mistake if this Bill was sent back to the people for eliciting their opinion thereon. Where is the necessity of sending this Bill again to the people? Has not this question been before the country now at least for the last 12 years? Was it not in 1911 that Mr. Bhupendra Nath Basu first introduced a measure of this character? Was it not again for years together that Mr. Patel's name was associated with a Bill entirely of this character? This subject has been before the people for a long time and now, after 12 years of agitation on this question, when we are on the verge of seeing this Bill through in this House, when we are on the verge of doing justice—bare justice—to our fellowmen who belong to our community, to come forward and put this argument before us that it should be re-circulated is, I believe, not in accordance with our claim for doing justice to all as representatives of the people. Another thing. When Dr. Gour first introduced the measure, it was in a very wide form. It allowed a Hindu not only to enter into inter-caste marriages but it even gave him the right of going outside his communities and it was made applicable to all communities in India. Now, I personally would have welcomed that reform. But if the House is not prepared for it, if all the communities have some objections to urge against a wide and sweeping measure of that kind, I will respect their feelings and I think the Select Committee has done wisely in respecting the feeling of those communities, with the result that the scope of this Bill is very much narrowed down, and with the Bill in its present form, even that pillar

[Mr. Jamnadas Dwarkadas.]

of orthodoxy, my Honourable friend, Mr. Rangachariar, has nothing to say against it.

Munshi Iswar Saran: That is the danger.

Mr. Jamnadas Dwarkadas: Honourable Members will see that he has himself appended his signature to the Bill as the Chairman of the Select Committee to which this Bill was referred, and it appears to me absolutely futile that effort should be made at this stage to throw out the measure on grounds which the House need not seriously consider. I strongly appeal to the House, Sir, not to accept my friend, Mr. Jawahar Lal Bhargava's amendment but to pass my friend Dr. Gour's motion.

Mr. J. N. Basu (Burma: Non-European): Sir, it is rather a big thing to find oneself within the focal distance of the President's eye. The problem is to find the *loci* of the President's focus within this Assembly and being a new comer, the problem seems to be insoluble to me. I leave it to my veteran friends to solve and if they fail, they may present it to the University examinees in the question papers. However, Sir, I will not detain the House long, for I had almost taken a vow not to open my lips; but when I glanced through the Bill I found that there was a sub-conscious conspiracy on the part of the Select Committee to compel me to speak, although I candidly admit that I share the common weakness of this House in having an itchy tongue. Now to the Bill. Most of the speakers have all along dwelt on the Hindu aspect of the question. I have followed closely my Honourable friend, Dr. Gour, to find out whether he would make any reference to Burma or the Burmese Buddhists in Burma. I fail to find any reference to that. My province has been included in this Bill only for one reason and that I find from the Statement of Objects and Reasons. The reason is given in paragraph 2:

"Some of us are doubtful whether Buddhists should be included, but the majority are of opinion that they should be included, as Indian Buddhists, equally with Sikhs and Jainas, have been held by the Courts to be Hindus for purposes of succession, marriage, and other matters."

Now, as Indian Buddhists have been declared to be Hindus for certain purposes, *a fortiori* Burmese Buddhists can also be included as Hindus. That is the line of reasoning I understand adopted in this. Well, Sir, you can easily see that Burmese Buddhists are quite different in their law of succession, inheritance, marriage, adoption and so forth. There are also Chinese Buddhists in Burma. The Burmese Buddhist law is quite peculiar to themselves. Their law of succession is not at all anything like the Hindu law. They have no will at all, and their ideas of adoption are not at all similar to the law of adoption in India. There is no libation of water or *pinda* offered to the soul of Burmese Buddhists. They do not believe in souls. They are concerned more with the care that should be taken by the adopted children for the living parents and they have recourse to adoption during their lives. Now, they can adopt many children, even the fathers of children and adoption is open to both the parents. Now, that law is going to be affected by one of the sections of this Bill. (Dr. H. S. Gour: "How?") You deny that right of adoption to certain persons. (Dr. H. S. Gour: "I do not deny the right of marrying under the Burmese law.") You deny the right of adoption to certain persons if there is a marriage under this law. (Dr. H. S. Gour: "You can ignore it.") Then, Sir, their law of succession is quite different. I do not see how that law

can be restricted in this way. There are Burmese Buddhists and Chinese Buddhists who stoutly repudiate to be dictated to or be governed by any law other than their own. Their opinion has not been elicited on these vital matters. And apart from the merits of the question, apart from the merits of the Bill which I heartily approve, I certainly take my stand on this point that the Chinese Buddhists' opinion, the Burmese Buddhists' opinion have not been elicited on these matters. I for one cannot undertake the risk of voting in favour of this Bill unless I know the views of my constituency. Have they been given an opportunity of ventilating their views? I submit, Sir, not. On the Bill as it has emerged from the Select Committee at present their opinion I submit has never been elicited. Burma has been treated in this way all along by the Government of India. What prevented, I submit, the Government of India or this Honourable House from having at least one Member of Burma on the Select Committee? If in matters affecting Burmese Buddhists and Chinese Buddhists their interests are very studiously neglected by this House,—I must say candidly,—and by the Government of India all along, I submit that the Burmese Members feel—I mean thereby the Members who represent Burma—that they are ignored. Their presence would have been helpful to the Select Committee in matters like these and would have saved them from the pitfalls of hasty legislation. My point therefore is simply this—that this Bill should be republished for eliciting the opinions of the Burmese Buddhists. It is contended by my Honourable friend, Mr. Jannadas, that this Bill should be wholeheartedly supported. All the remarks that he has made do not affect Burma at all. I shall be happy if Dr. Gour leaves Burma completely out of the jurisdiction of the Bill. None of the Members of the Select Committee happen to have considered the Burmese point of view. They seem to have taken it for granted and have fallen into the fallacy that because Indian Buddhists are Hindus for certain purposes, therefore the Burmese Buddhists are also Hindus. Now there are ordinary Hindus and Privy Council Hindus. But there are no Privy Council Buddhists in Burma yet. They are all ordinary Buddhists. I must also refer to another aspect of this matter. I must again protest that the treatment meted out to Burma as the milch cow of British India, as British India is the milch cow of the British Empire. I therefore move that this Bill be re-circulated. I shall then be in a position to support whole-heartedly the principle of the Bill.

Mr. Manmohandas Ramji (Indian Merchants' Chamber and Bureau: Indian Commerce): I had no intention of taking part in this debate. I felt that I should be satisfied with exercising my right to vote but as Mr. Jannadas emphasised the liberty of conscience and the opinion of the majority, I think I must give him some reply. As far as the majority question is concerned, I ask Mr. Jannadas whether he has approached his own community on this question and ascertained their views, whether there is a majority or a hopeless minority in his favour; and if the question is put to masses of Hindus I have no doubt that not more than two or three per cent. will come to his side. In order to prove my contention I may tell the House that opposition meetings have been held all over India and there is not a single meeting in support. There has been opposition all over and there have been petitions also. Therefore that feeling is there. Of course, there is no objection for any Hindu to marry in any fashion he likes. There is that liberty of conscience, but that liberty under the present Bill before us does not meet the actual requirements of the case. It is patch work simply, because these people think that if they

[Mr. Manmohandas. Ramji.]

carry this now they can go further later on; but when we take the trouble of legislating, let us not be satisfied with half measures, but let us give full measures, which they dare not do.

Bhai Man Singh (East Punjab: Sikh): Sir, I oppose the motion that the Bill be taken into consideration and support the amendment that the Bill be circulated for opinion on quite a different ground. I think the Select Committee has gone far beyond the mandate that was given to it by the House. The House when it made over the Bill to the Select Committee was simply concerned with one point, namely, whether marriages between men and women of different castes or different religions should be allowed under the Act or not; there was already an existing law regulating such marriages with the condition that the parties had to state that they do not belong to the Muhamadan or Hindu religion and the question was that this declaration should be dispensed with. The Select Committee has assumed to itself powers that were never given to them and has brought before us a Bill which we could never dream of. They now come to us with the proposition that if a Hindu marries a Hindu girl of another caste he shall not adopt; if he marries a girl of another caste he shall be deemed to have separated from his family; a Hindu who marries a Hindu girl of another caste or a Jaina girl shall not be allowed to follow the rules of succession according to Hindu law but shall have to follow the rules of Indian Succession Act, which, so far as I understand, is very much akin to English or Christian law in this respect. Sir, I was never prepared to give those powers to the Select Committee to enable them to spin out a huge system of succession, adoption and joint Hindu family law for us. There is a very good precedent against this sort of thing in another measure which was called the Cantonment House-Accommodation Bill. That Bill was referred to a Joint Committee and the Committee found that it was necessary to make many drastic changes in the Bill, but the Joint Committee, being true to the mandate which had been given to them, did not think themselves capable of going beyond the limits under which they thought the Bill had been referred to them and they reported to the House that as they wanted to make certain drastic changes they would like the Bill to be re-submitted to them. I really wonder how the Select Committee on this Bill has assumed to themselves powers which were never given to them, and it is on this ground of principle, Sir, that I would strongly oppose their report being taken into consideration on the floor of the House. They have not stuck to the principle of the Bill only, they have gone far beyond our mandate; and if the principle is once conceded that a Select Committee can change the whole fabric of a Bill and give us quite a new law on the subject, I think it will be a very bad precedent from the point of view of the principles of legislation. I therefore, Sir, strongly oppose the Bill being taken into consideration.

I should like to draw the attention of the House to another anomaly in the Bill as it has emerged from the Select Committee. So far as I understand, a gentleman who marries another Hindu girl after declaring that he does not belong to the Hindu, Muhamadan or Jaina religion, has to follow the ordinary rules of succession. At least the present Special Marriage Act does not lay down that he shall follow the law laid down in the Succession Act. But a Hindu who is not prepared to say that he is not a Hindu who marries under the provisions of this amended form of marriage is told by the law 'No, my dear Sir, though you are a Hindu,

though you are not prepared to say that you are not a Hindu, you shall not be allowed to follow the Hindu Law of Succession.' I do not find anything special in the latter case that makes it necessary that he should be forced by this measure to follow a different law of succession from what is followed by the rest of the society. I think if Dr. Gour presses that this Bill should be passed in its present form, as it has emerged from the Select Committee, in my humble opinion, he will be doing a distinct disservice to the cause of reform, because those who marry under this Bill would practically become outcasts. Again they shall lose the power of adoption. That is a privilege which perhaps every Hindu, at least a Hindu who is not prepared to say that he is not a Hindu, cherishes to his heart; and is it not downright tyranny to force him not to have the power of adoption? I am sorry my Honourable friend, Mr. Jannadas Dwarkadas, is not present in the House. He claimed the liberty of conscience. I too claim the same thing, but I ask why we should snatch away the right of adoption from a person who is liberal enough to marry a girl of another caste. Why should you snatch away the rights of succession to him under the Hindu Law who is liberal enough to marry a girl of another caste? In the end I should like to make my own position clear. Let it not be understood that I am at all against inter-caste marriages. My religion very freely allows inter-caste marriages. In fact the Sikh religion observes no castes at all. Again, I know that marriages between Hindus and Sikhs are at present prevalent and inter-caste marriages amongst the Sikhs are valid according to the Anand Marriage Act and their marriages with Hindu girls are also valid according to the present law. I would at the same time very much wish that inter-caste marriages be as much more prevalent as possible, but I strongly oppose the Bill as it has emerged from the Select Committee, and I strongly oppose the motion for taking it into consideration for the Select Committee have gone so much beyond the mandate of the House and the Bill creates so many difficulties in the way of persons marrying under it.

Mr. J. N. Mukherjee (Calcutta Suburbs: Non-Muhammadian Urban): Sir, I would not have risen, if I did not think that I might draw the attention of the Honourable Members to a few points of some complexity to which attention has not hitherto been drawn; and that I propose to do by a reference to some of the features of the present Bill. It seems to me, Sir, on a careful perusal of the Bill, that it creates an anomaly of a character which it is impossible to obliterate by means of amendments. The first point I take up is that the Bill provides that succession to the property of a person marrying under the Act or to that of the issue of persons marrying under it will be governed by the Indian Succession Act. Now, Sir, there are certain sections of the Indian Succession Act which say that it does not apply to Hindus, etc., e.g., section 381 of the Act. (*Mr. K. Ahmed*: "Amend and get rid of them.") You have got therefore to reconcile this inconsistency in the first place. You have to do many other things, besides. You have got to get rid of the Hindu Wills Act, also, if you have to submit to the Indian Succession Act entirely, all cases arising out of the present Bill. The law on the subject, it seems, will have to be harmonised. Then, suppose, Sir, a person marries under this Bill and thereby separates himself and his wife from the joint family. Under the Bill he is not then entitled to adopt a son to himself; and succession to the property of a son who has been adopted under the Hindu Law, but who marries under the Bill, will also be governed by the Indian Succession Act. Now, it may be, that there is a collateral

[Mr. J. N. Mukherjee.]

or a lineal ascendant, who is to succeed to the man who marries under the Bill. The law by which that collateral or ancestor is governed, it may be presumed, is Hindu Law and, yet he will succeed to that man's or his adopted son's property under the Indian Succession Act. Reversing the situation, these persons will succeed to the property of their collaterals or ancestors under the Hindu Law. If it be the case of sons who are to succeed to a person marrying under the Bill, of course the proposed new law clearly provides that it will be the Indian Succession Act that will govern the succession, but in the other case where collateral or lineal succession to the property of an orthodox Hindu is open to the man, marrying under the Bill or his issue, the succession will be governed by Hindu law in spite of the Bill. Then, Sir, I am here reminded of a case of two brothers marrying, one according to this proposed law, and then dying without any issue, but leaving his mother, widow and brother; what then will happen? According to the Indian Succession Act we find that unlike the provisions of the Hindu Law, a division of the estate takes place; that a certain share goes to the widow and the remainder to the children or the children's children or to the kindred, as the case may be, but in lineal succession direct succession stops, with children's children, and does not go further down as in Hindu Law. The proposed law when it comes to be practically applied to such and similar cases will be found sometimes to militate against the principle of both the Mitakshara and the Bengal school of the Hindu law of succession. And if with reference to the same person two different sets of laws under two different conditions are found to be applicable at the same time, I submit to this House, that the greatest confusion will arise in the practical application of the law. The question of succession is not the only question with which we are concerned. We are concerned also with wills. If a man is to be governed by the Hindu Wills Act, then, there are only certain sections of the Indian Succession Act which must be used in interpreting the wills of Hindus but not others. He is also governed by the provisions of the Probate and Administration Act, in this connection, and not by the Indian Succession Act. It must be remembered that there are again certain sections which are applicable under the Indian Succession Act, which are a counterpart of the English law on the subject and they are not applicable to Hindus. Those questions will also have to be disentangled and faced in applying the provisions of the Bill. Sir, these are matters, no doubt, of detail, but the whole question, if it is to be solved at all, will have to be solved by reference to these matters of detail, and by not shutting our eyes to the practical difficulties of the situation. Again, Sir, we have here in this Bill, forbidden adoption, but if we take into account Hindu wills, we shall find that under the Hindu Wills Act, in interpreting the will of a Hindu, it has been laid down that the word 'son' should include an adopted son and a daughter-in-law should include the wife of an adopted son. I could multiply instances of this nature to some extent, but I do not propose to do so. All these difficulties would, however, vanish if a separate and well-defined class was created by the Bill, say "Hindu Dissenters," or something of that sort, but as it is the word "Hindu" without any qualification has been retained in the Bill and the word "Hindu" as it has been authoritatively interpreted means one who professes any form of the Brahmanical religion

Dr. H. S. Gour: Where is it laid down? Where does a Hindu mean a Sikh or Jaina?

Mr. J. N. Mukherjee: The latter is not the point. I think I am correct in what I have stated. The House has been often told by Dr. Gour that the Privy Council has held that a Brahmo is a Hindu. It is not so. What has been held by the Privy Council is that although a man adopts European habits of life, if he is born a Hindu the birth mark of Hindu sticks to him until there is a formal act of renunciation by him. That is what has been held by the Privy Council in Sardar Dyal Singh's case, and not what my Honourable friend has stated to the House more than once.

Dr. Nand Lal (West Punjab: Non-Muhammadian): Sardar Dyal Singh's case?

Mr. J. N. Mukherjee: Yes. And the House has been told that the Privy Council has decided that Brahmos are Hindu dissenters governed by Hindu Law. This has never been the decision. We have the highest respect for the Privy Council, and I cannot think that they have ever decided anything of that kind. The fine gradations between one defined community and another will always exist, and the line of separation between the larger communities has always to be drawn somewhere, and in the practical application of the law to communities questions of detail will always crop up, which will have to be solved from time to time, by reference to the general principles laid down in the law. I may say that I have paid some attention to the subject, and with all humility, I would ask the House to take it, that I could quote authority for my statement of the law. At page 551 of this book (Henderson's Law of Succession) the House will find it stated that the word "Hindu" mentioned in section 331 of the Indian Succession Act is meant to denote persons professing any form of the Brahmanical religion.

At a time, Sir, when others thought that all complicated questions connected with the original Bill of Dr. Gour's would be satisfactorily solved by the Select Committee, I confess I had my doubts as to such a possible achievement; and, when the Bill emerged from the Select Committee, I found that confusion with reference to matters of law had been worse confounded. All this confusion must have emanated from an anxiety to minister to the desire of a small class of people to appear to be something or to profess to be something, which is not the reality. Well, it is always very difficult to reconcile two different systems of law in one enactment and the difficulty of the situation in the present instance was considered for some seven or eight years by those eminent men who were at the helm of affairs at the time, the Law Members in and before the seventies, and after all the various suggestions for a non-sacramental general marriage law for India were placed before them, they ultimately came to the conclusion that unless persons who belonged to the Hindu, Mussalman, Jaina, Christian, Sikh or Buddhist communities were excluded from its operation, any General Act of the nature of the present Civil Marriage Act, was not possible. Such a General Act, they decided; could not be made applicable to these communities as they had special marriage and succession laws of their own. That was the line of least resistance in fact, the only line possible which was followed by the Legislature in those days. Now we hope to achieve the impossible, or the impracticable. Sir, take the case of a man who marries under the provisions of the Bill and his wife then dies. He continues to be a Hindu, and then he marries a second wife in the Hindu form. He has sons by both wives. Now, what will

[Mr. J. N. Mukherjee.]

be the law of succession applicable to the widow and the children? The law of succession in the case of one class of children will be under the Indian Succession Act and in the case of the other class of children, that under the Hindu law. How will they claim their right of succession to their common father and how in each case will the succession be governed?

Sir, I need not detain the House with details of this character, but I should like to draw its attention to one more point, namely, to the case of impartible estates. Sir, suppose a man, who is the possessor of an impartible estate or zamindari, marries under the provisions of the Bill, and dies leaving sons and daughters. What happens? If the Indian Succession Act is to apply to the case, the estate has to be divided. A portion would go to the widow if she survives the husband, one-third in the circumstances, it would be one-half in other circumstances, *i.e.*, if there were no children or lineal descendants but certain other relatives. Now, I ask, again, what will be the law applicable to the succession in such a case? It is very easy for those who are impatient for reforms and things of that kind, to clamour for reformed laws without waiting to examine them, immediately the law is formulated, or even before it is formulated. I do not address myself to that class of impatient reformers, but to those who would calmly think over and consider the situation. Of course, we must admit, that the Honourable Mover of this Bill has behaved like a skilful general, like a Napoleon or a Von Moltke. He believed in the art of defeating the enemy by divisions, and therefore, he thought it proper to exclude from the operation of his Bill, the Muhammadan and other communities who, he thought, might by that means be brought over to his side on his march to victory. Well, I can admire his generalship—his strategy,—but I cannot admire his legislative capacity. He thinks his Bill is good for the class of people who wish to have the benefit of his reforms whatever his Bill for reforms may be, his Bill to amend the Civil Marriage Act, and to amend it practically out of existence, if not to do worse.

Sir, if there is already on the Statute Book a general Act like the present Civil Marriage Act, and if the liberty of conscience which is proclaimed in this House in season and out of season is not in the slightest degree limited or restricted in the case of any marriage performed under that Act, by anything contained in that Act, I submit, Sir, that when there is absolutely no interference with the free exercise of a man's choice, or of his conscience,—in any manner whatsoever, there is hardly any occasion for introducing monstrosities, into our legislative system if I may so characterise a measure of the character proposed by the Bill. Nothing is gained by the process. A new Bill may be framed if anybody thinks that such a Bill ought to be framed for the benefit of mankind, but let it be framed after taking notice of all the difficulties, or, at least, of the fundamental difficulties which exist in connection with legislation of the character proposed by the Honourable Mover. It is very easy to hastily adopt anything that may smell of reform and things like that; but it is quite another thing to legislate for all. One must not consider himself merely as a separated individual airing his own opinion, in such circumstances, but when he is supposed to legislate for everybody within the reach of his authority, he must place himself in that position of trust and take note of and realize all the difficulties of the situation. We have had already instances of incongruities arising out of the Bill placed before

the House, and are they going to be completely ignored? And again, what do I find in the personnel of the Select Committee? No one, I find, from Bengal, or Bihar and Orissa, Assam or the United Provinces likely to be affected by the Bill, was on the Select Committee,—only Bombay, Madras and the Central Provinces, were represented on that Committee. Sir, the world has been going on as before all this time. Then, why when the whole of the original Bill has been changed, lock, stock and barrel,—when practically nothing remains of its identity, there should be such hurry about it? It took my breath away when I found that even under such circumstances, the Committee did not think that the Bill should be re-circulated. It is said that the opinions urged against the original Bill have been sufficiently met by the revised Bill, and its sponsors cannot therefore agree to its re-publication. They fail, however, to consider that new principles have been enunciated in the amended Bill, a new process of hybridisation has been started which did not exist before, and the country is perhaps gazing with wonder and curiosity upon a new legislation of the kind, formulated by the Bill. Here is a patchwork on the fabric of our Statute Book, and nobody knows as yet, how it will succeed in working itself harmoniously into the existing texture. These, Sir, I venture to think, are weighty considerations which have to be taken into account. This amended Bill was never circulated with a view to obtain opinion thereon. The important questions of principle involved in the amended Bill, the deviations from the scheme of the original Bill, were never placed before the country, and opinion was never obtained thereon. I submit, Sir, there never was a better case for re-circulation than in the case of the present Bill. I beg to support the motion for re-circulation.

Mr. S. C. Shahani: (Sind Jagirdars and Zamindars: Landholders): Sir, I beg to oppose the amendment that has been proposed, namely, that the Bill be re-circulated for opinion. I fail to understand what further opinion would be forthcoming on the Bill if it were re-circulated. The scope of the Bill has been restricted and I suppose it is the intention of some of those who have supported this amendment to have it ascertained if those who are for more thorough going reform would oppose the Bill on account of its restrictive character. That then would not be, I take it, the intention of those who are supporting the amendment. According to me no useful purpose will be served by once again referring it to Local Governments and to local bodies for their opinion. As we know, something is better than nothing. It is to me ludicrous that Sikhs should be distinguished from Hindus. In our Province Sikhs marry freely from among the Hindus, and the Hindus marry freely from among the Sikhs. But in Gujrat and Kathiawar, for instance, a Bunnia cannot marry from a Sikh family, and a Sikh cannot take to wife a Bunnia girl; and if this Bill can in places like Gujrat afford some relief, I do not understand why we should not welcome it. Why should spouses be compelled anywhere to forswear themselves before marriage by declaring that they belong to no religion. It is very desirable that we should for homogeneity go in for inter-marriage. I am on that account very sorry that the scope of the Bill has been restricted. I was hoping to see that permission would be granted to Muhammadans to intermarry with Hindus and *vice versa* in these days of advancing social progress. I am greatly disappointed. I must confess that Muhammadans, Parsis and Christians have been excluded; but as I have said, something is better than nothing, and we should therefore whole-heartedly go in for the measure under consideration, which will, I hope, be passed by the House.

Mr. Pyari Lal (Meerut Division: Non-Muhammadian Rural): Sir, as a Jaina, on behalf of my community I most strongly support the amendment which has been moved by Mr. Bhargava. Before I proceed any further, Sir, I am bound to say that I am a little surprised at the attitude which my Honourable friend, Mr. Shahani, has taken up in this matter. Of all persons in the world I expected that he would repudiate most the idea of a man being false to himself. As I take it, under this Bill you make a declaration that you are a Hindu or a Jaina or a Buddhist or a Sikh, and yet by the very provisions of the Act you put yourself beyond the pale of Hinduism and beyond the pale of the social and religious laws of the Jainas and Sikhs. For instance, a most cherished principle either among Jainas or among Buddhists or Hindus is that of adoption. This Bill takes away that. One of their most cherished principles is that marriage is a sacramental right the object of which is that the father should derive some spiritual benefit from his having sons. The Hindu joint family which is the unit of Hindu society and not the individual as in European countries, that Hindu family will be broken up because of this Bill. Their cherished laws of succession which have been handed down for generations for so many centuries will be absolutely demolished by a stroke of the pen of Dr. Gour. Now, Sir, when he does all those things, I wonder whether there is any Hinduism left; yet he wants to go before the world and he wants to be a Hindu. (*Dr. Gour here interrupted the speaker.*) Please do not disturb me because I am sitting near you, therefore, it does not mean that I should be disturbed like this. The man is pledged to stultify himself. It is said by Dr. Gour "Oh, under the Act of 1872 a Hindu in reality, in order to contract a marriage, has to make a declaration that he is not a Hindu. He was false to himself." But under the present law, I say, a man wants to be a Hindu and yet not a Hindu. How is he going to reconcile that position? Therefore, I submit under this Bill the position is worse than under the former Bill. Well, Sir, the observations made by my Honourable friend from Burma in regard to Buddhists apply with equal force to Jainas in this country, and I have their authority to state in this Council as emphatically as I possibly can, that they too oppose this measure tooth and nail. Sir, my learned friend, skilful lawyer that he is, in order to placate his Muhammadian colleagues in this Assembly and Members of other communities, has exempted them from the operation of this Act, thereby thinking to win them over to his side. Now he wants to concentrate his affections on the Hindu and Jaina communities and I think they are very thankful to him for it. Like a bad penny the Bill always turns up. But this time it has come to us in its most ugly form. I say, it is neither fish, flesh nor red-herring. At first, it pretended to be something, but now it is mutilated in such a way and has introduced changes of such far-reaching character that its re-submission to the public is inevitable. How are the people to know the Bill in its present form? The Select Committee's Report was put into our hands only two days ago and Dr. Gour introduced it only last week. The public had no opportunity of considering the measure as to how far they can agree with it and how far they cannot. Under these circumstances, I defer going into the merits of the question any further, and I would strongly support the proposition that the Bill be re-circulated for public opinion.

(*Voices from several parts of the House "The question be now put."*)

The motion that the question be put was adopted.

Dr. H. S. Gour: Sir, I shall very briefly reply . . .

Dr. Nand Lal: I thought the order of the Chair was that the question be now put.

Dr. H. S. Gour: I shall not take up the time of the House a minute longer than is absolutely necessary. Nine Honourable Members have spoken on this subject, five are in favour of the principle of the Bill and four are for circulation, but their social complexion I was not able to clearly discern. Now, Sir, I ask one question. Suppose this Bill goes back to the country for eliciting public opinion. What public opinions are likely to enlighten this House? Surely this House is the forum of public opinion and we are the representatives of the public opinion in the country, and all that could be said of the pros and cons has already been said by the protagonists of the measure and its opponents. A very large number of members complain that if this provision is passed into law, it would deprive the Hindus of certain valued rights and thus place them in a much worse position than they are at present. That was an argument which I met at the outset of my speech. Did I not point out to the House that the measure is a purely permissive measure and it makes absolutely no advance upon the existing law unless you wish to take advantage of the special provisions which have been inserted. You may turn an absolutely deaf ear and a blind eye to these provisions. Treat them as if they were non-existent. How are you damnified by its provisions? That, I submit, is a short question and a short answer to my friend Mr. Basu who says 'what about the Burmese Buddhists?' Burmese Buddhists have to tear up their copy of the Statute there if they do not wish to abide themselves by its provisions. If you wish to come under the provisions of this measure, you are subject to certain disabilities and entitled to certain rights. You contract the marriage with your eyes open, and after that you have no right to complain. If you do not wish to take advantage of the provisions of this Bill, you are at liberty to ignore it. Well, that is my answer to a very large number of friends who have spoken and emphasised upon the disabilities which this Bill casts upon those contracting marriages under my Bill. I have already said, Sir, that they need not marry under this Bill; they can continue to make false declarations of which they complain under Act III of 1872. It remains unaffected by the supplementary provisions which

5 P.M. this Bill seeks to add to Act III of 1872. Then, Sir, it has been said public opinion has not been consulted. Now, I wish to ask the Honourable Members whether public opinion has not been consulted. (*An Honourable Member:* "No.") I think those who cry "No!" must have for the time being forgotten that elementary axiom with which we start the study of Euclid, namely, that the greater includes the less. When on the larger measure public opinion was consulted, on this narrower and more restricted measure public opinion need not have been consulted and all the objections of which we know and which have been presented to us, not during the last 10 or 12 years but during the last 50 years, have been considered and given effect to, so far as it was necessary, in the Select Committee. I submit those who oppose this measure, those who want that we must once more go to the country for the purpose of eliciting public opinion, are trailing a red-herring. If they are honestly opposed to the Bill, let them move a motion that the Bill itself be rejected. Let them not, I submit, deliver a flank attack on the measure. And those of my friends who profess to be supporters of the measure and yet desire to widen its scope, I warn them that no public opinion, no delay is likely to widen the scope of the Bill because the more you widen it the more opposition it is likely to receive from the orthodox section of the community.

[Dr. H. S. Gour.]

I make no secret of the fact that the Bill is a compromise and you cannot justify all the provisions of a compromise. You must take it as a whole or not at all. That is my answer to my friends who say I have gone too far. That is my answer to my friends who say I have not gone far enough. I say, Sir, I have taken a middle course and that middle course I ask this House to endorse by their vote.

Mr. President: The original question was :

"That the Report of the Select Committee on the Bill further to amend the Special Marriage Act, 1872, be taken into consideration."

Since which an amendment has been moved :

"That the Bill as reported by the Select Committee be re-circulated for the purpose of obtaining further opinion thereon."

The question I have to put is that the Bill be re-circulated.

The Assembly divided.

AYES—31.

Acharyar, Rao Bahadur P.
Srinivasa.
Agarwala, Lala Girdharilal.
Amjad Ali, Maulvi.
Asjad-ul-lah, Maulvi Miyan.
Ayyangar, Mr. M. J. M.
Barua, Mr. D. C.
Basu, Mr. J. N.
Bhargava, Pandit J. L.
Bishambhar Nath, Mr.
Hussanally, Mr. W. M.
Iswar Saran, Munshi.
Jatkar, Mr. B. H. R.
Lakshmi Narayan Lal, Mr.
Latthe, Mr. A. B.
Man Singh, Bhai.

Misra, Mr. B. N.
Muhammad Hussain, Mr. T.
Mukherjee, Mr. J. N.
Nand Lal, Dr.
Neogy, Mr. K. C.
Pyari Lal, Mr.
Ramayya Pantulu, Mr. J.
Ramji, Mr. Manmohandas.
Sarvadhikary, Sir Deva Prasad.
Singh, Babu B. P.
Singh, Mr. S. N.
Sinha, Babu Adit Prasad.
Sinha, Babu Ambica Prasad.
Sinha, Babu L. P.
Sohan Lal, Mr. Bakshi.
Srinivasa Rao, Mr. P. V.

NOES—42

Abdul Majid, Sheikh.
Abdul Rahman, Munshi.
Abul Kasem, Maulvi.
Ahmed, Mr. K.
Ahmed Baksh, Mr.
Aiyer, Sir P. S. Sivaswamy.
Allen, Mr. B. C.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Barodawalla, Mr. S. K.
Bradley-Birt, Mr. F. B.
Bridge, Mr. G.
Chaudhuri, Mr. J.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Faiz Khan, Mr. M.
Faridoonji, Mr. R.
Ginwala, Mr. P. P.
Gour, Dr. H. S.
Haigh, Mr. P. B.

Holme, Mr. H. E.
Jafri, Mr. S. H. K.
Jamall, Mr. A. O.
Jamnadas Dwarkadas, Mr.
Joshi, Mr. N. M.
Lindsay, Mr. Darcy.
Moncrieff Smith, Sir Henry.
Muhammad Ismail, Mr. S.
Nag, Mr. G. C.
Percival, Mr. P. E.
Rangachariar, Mr. T.
Reddi, Mr. M. K.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Mr.
Schamnad, Mr. Mahmood.
Shahani, Mr. S. C.
Subrahmanayam, Mr. C. S.
Venkatapatriaju, Mr. B.
Vishindas, Mr. H.
Webb, Sir Montagu.
Willson, Mr. W. S. J.

The motion was negatived.

Mr. President: Clause 2.

Mr. J. N. Basu: The clause includes Buddhists. It says:

"The following words shall be inserted, namely:
'and for persons who profess the Hindu, Buddhist, Sikh or Jaina religion'."

From the Statement of Objects and Reasons, the Select Committee mean apparently the Indian Buddhists. Reference is not made to Burmese Buddhists or Chinese Buddhists in Burma. As their wishes have not been consulted,—I have said that their personal law is different and this Bill affects seriously the Burmese Buddhists and Chinese Buddhists. Therefore, I submit that the word 'Buddhists' may be deleted, or at least that Burmese Buddhists and Chinese Buddhists may be excluded from the operation of this Bill. I move therefore my amendment.*

Mr. President: Amendment moved in clause 2:

"Omit the word 'Buddhist'."

The amendment was negatived.

Clauses 2 to 4 were added to the Bill.

Mr. President: The question is that clause 5 stand part of the Bill.

Dr. Nand Lal: I rise to a point of order. We have not had a sufficient debate so far as opposition to this motion is concerned.

Mr. President: I do not catch the Honourable Member's point of order.

Clause 5 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble to the Bill were added.

Dr. H. S. Gour: I move that the Bill be passed.

Dr. Nand Lal: So far as I know, no measure of this character has excited so much criticism and hostility as this Bill has done. You know this is a private Bill and a private Bill can be passed only when the community which is concerned with it approves of it. There is no approval of that kind here. In any case, no need or necessity for this Bill is shown in the form of a Resolution or expression of opinion at the bar of the public. But on the contrary, the whole orthodox Hindu community is against it. (*Cries of "No, no."*) (*Cries of "Yes, yes."*) Barring Mr. Jaminadas Dwarkadas's community whom he represents, as he says (*Cries of "No, no."*) The other day in Delhi there was a big meeting and in that meeting Resolutions were passed unanimously and, if I mistake not, a copy of those Resolutions was sent to the Government of India and to us, the representatives of the people of this country. If I were to give my individual opinion, perhaps I may not have opposed the motion, but I am here to represent the views of the public and echo their voice. Therefore, I feel constrained to oppose this Bill. Marriage with the Hindus is a sacrament. It is not a contractual tie. They look upon this measure as an encroachment upon and a dreadful violation of the sanctity of their personal law. They cannot tolerate this sort of measure which may violate the sacred canons and principles which are involved in the sacred Hindu Shastras, which are the outcome of the brain and intelligence of the great Jurists Manu and other Hindu Law-givers. A good many novel expressions have been used on the floor of this House. Mr. Jaminadas Dwarkadas has coined and so often

* Omit the word 'Buddhist'

[Dr. Nand Lal.]

repeated the phrase "liberty of conscience". In the first place the phrase is inapplicable here. I remember an anecdote—A thief, who had committed a theft. When asked why he stooped to this crime, he said "It is according to the liberty of my conscience. Because I wanted to relieve the big *saukar* (rich man) of his excessive wealth—a burden of anxieties. I have acted up to my conscience." Mr. Jamnadas Dwarkadas, do you seriously take it as liberty of conscience, when a man falls a victim to passions and vicious impulses?

Mr. President: I think the Honourable Member had better address the Chair.

Dr. Nand Lal: Sir, is it liberty of conscience if a man violates the canons and the sanctity of one's personal law? I think no Member in this House, who has got respect for his own religion and faith, will come forward and say that an infringement of personal law can be taken synonymous with or equal to the liberty of so-called conscience. I may say, the word "Conscience" is a relative term. Conscience among robbers is to rob others. Conscience among honest people may be to act up to a certain standard of honesty. But really the question of the liberty of conscience has got no force whatsoever here. Will any orthodox Hindu have the courage of saying that this Bill is an improvement? To my mind, so far as the useful institution of adoption is concerned, it seems to be violated, it seems to be mutilated. I think, Sir, that when a law is to be made, the first thing which should be given prominence by every legislator is the view of the people whom that law is going to govern.

(At this stage Mr. Deputy President took the Chair.)

How can you thrust a law on any community when the whole community is opposed to it? Has the author of this measure any sort of support from any quarter? Not at all. There has been opposition after opposition. Take the United Provinces (I say this subject to correction). Take the Punjab. Take Delhi. And what is this Bill after all? I submit, an unnecessary burden on our Statute Book. The Muhammadans are very lucky, very intelligent. They are out of the clutches of this. I should give them great credit for their wisdom, for the sincerity which they have evinced on this occasion, in paying due regard to the sacred principles of their Muhammadan law. They in the last debate on this measure said—"No, we are not going to countenance a measure of this character. We are Muhammadans. We have got better character and calibre." It is the Hindus who have shown their weakness, who have shown, I may be allowed to say, that they have not so much respect for their religion, and for their sacred and wholesome canons. This is a direct violation of the sanctity of orthodox principles. And, Sir, the Mover said in this House that "after all I have met the various objections that were raised by the Members of the Select Committee." In other words, he admits that the Bill as it stood originally has been mutilated. What is then the object he has in view? Simply to show that he is the author of a certain Bill. On the one hand he says that the stringency of the law, as embodied in the original Bill, has been removed; on the other hand he still holds very vehemently and urges that this Bill, as it has been recommended by the Select Committee, may be accepted. I do not find any consistency in that at all. There should be some good object in passing a measure, which.

to a certain extent, directly contravenes the views of the people. The other day, on the floor of this House, a number of speeches were made, when we were discussing the question of salt, to the effect that it was the voice of the people, the opinion of the people of this country against the proposed increase in duty, and, therefore, we felt constrained to oppose it. Can any one here, especially the Hindus, say with any show of force that there is public opinion in support of this measure? Not at all. Can any gentleman, who is an advocate of this measure, place on the table any appreciable and sufficient expression of opinion, favouring this Bill? If I were the author of a private measure I would place my cards on the table and I would have said, "here is the necessity for this measure, here you can see I have been pressed to put forward this measure before the House." There is no support, no moral support even, no support backed up by the opinion of the orthodox people at any rate, and, yet, this measure is being passed, a measure which is diametrically opposed to the sacred views of the orthodox Hindus in this country. And I am sorry to say that after all the whole Assembly will be considered responsible for passing this measure, which is uncalled for and which is wicked and vicious altogether. What good will be done, Sir? The object, as I have submitted before to the House with which this Bill brought forward, most probably was that to a certain extent it may bring about the political unity of different classes of various religious in this country. Now the Muhammadan community does not come within the purview of this Bill; where is the political object? That argument loses force at once. The natural result of this measure will be that this Assembly will be criticised, and very rightly criticised, especially, by the orthodox Hindu community.

Another argument which has been advanced by the Honourable author of this measure is that the Honourable Mr. Rangachariar has subscribed to it and some other gentlemen have subscribed to it who are strong advocates of orthodoxy—these gentlemen have yielded. Well, they may have yielded for reasons best known to themselves. But I would submit before this House that after all you cannot ignore the feelings of the largest majority of the other orthodox people. They are, in fact, in the large majority and if you are going to set their sacred views at naught, there will then, I am afraid, be discontent and unfortunately the Government of India will, to a certain extent, be wrongly held responsible, by some ill informed critics, though it is the work of one or only some of us. I may say at once here, that our Government is not responsible for this measure at all. With these few remarks I strongly oppose this motion and I submit that this Bill be not passed at all.

Bhai Man Singh: I had given notice of these amendments. I do not know what has happened to them. At least I was in the Hall and I did not hear my names being called. I should like to know whether they have been ruled out of order.

Mr. Deputy President: I am afraid I am not in a position to help the Honourable Member. It was his duty to be here and protect his own rights.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan): Sir, I am very proud indeed to have a neighbour so staunch, so eloquent in defence of orthodoxy, in defence of Hindu sentiments and feelings. Sir, it reminded me of our habit, when I saw my Honourable friend, on his feet, of being afraid of dead cobras. When we see a cobra on the road, dead

[Rao Bahadur T. Rangachariar.]

or alive, we always get afraid. That is the feeling which came upon me when I heard my Honourable friend, Dr. Nand Lal, haranguing against this proposed measure. Sir, I have been accused of unholy alliance in having concerted with Dr. Gour. Sir, there is an unholy alliance over this Bill. It is a Civil Marriage Bill and a Civil Death Pill. We have conceded by the proposed measure all that can reasonably be conceded to orthodoxy of the most rigorous type. What is it that man wants? He wants a son who will perform his *shraddhas* and what else can be a greater loss to him than the loss of a son. Here, by this measure if a son is so dead to his parent's sentiments that he feels so strong on such a point that he would marry in the way he likes, you give him liberty and at the same time you liberate the parents from possessing such a son; and therefore Dr. Gour was perfectly right; when he advocated liberty of action on the part of one, he freely conceded liberty of action on the part of the others also whose happiness is involved by the liberty of action of this individual; so that, Sir, the compromise effected in this case concedes rights to individuals, concedes also liberty of action to others. My Honourable friends complained, who are whole-hoggers in this reform like my friend Munshi Iswar Saran, "Why not retain for him all the personal law of the Hindu, why do you allow him to marry and deprive him of the personal law of succession, adoption and all that?" Let us think about it a little. Who are the people who are likely to marry under these special provisions? Persons who are grown up and, who are so imbued with love, and decide to act, that is to say, sentiments of love come into play in this case, and drive them to this course because it is a marriage which will take place after the man or woman has begun to be capable of thinking for himself or herself. So it is a marriage of love, which we all respect. In such cases if you allow personal law to come into play, what will happen? According to the personal law of the Hindus, the sons take everything to the detriment of the daughters. The sons take everything to the exclusion of the widow. Therefore, in a case like this, what is the injustice in allowing a different Law of Succession to prevail? The man marries a woman and she contracts this alliance and both of them, as society now stands, will be put out of it, by contracting such an alliance. Therefore the woman stands to gain by the provision we have made, and the man stands to gain by the provision we have made in that the sons will not exclude the parent from inheritance. That is a great advantage. The daughters of this marriage will get a share in the estate of the parent. So that there was every advantage in applying this Indian Succession Act to alliances of this sort. If people are willing to resort to this course, why should we prevent them from resorting to it? Is Hinduism going to be affected by this? Your home is safe; your joint families are safe; your religious trusts are safe; your charity is safe; where is the danger to society? I fear, and that fear is not unaccompanied with a feeling of joy also, that very few people will really resort to this form of marriage, and if they do, they are not worthy of keeping in society—I mean from the point of view of the people who oppose it. If people are prepared to leave our society and contract this form of alliance with their eyes open that the personal law of the Hindus will not apply to them, then why should the family care for such people? Therefore I do not see why any reasonable objection should be taken to this measure. Sir, orthodoxy is not blind to world forces; I wish to emphasize that proposition by my attitude to this Bill as recast.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, I do not wish to make a long speech on this occasion, but I thought it was my duty not to allow this occasion to pass without saying one word in appreciation of the services rendered by my Honourable friend, Dr. Gour. Sir, as my friend, Mr. Jamnadas Dwarkadas has said, this is a matter of the freedom of conscience for the progressive section of the Hindu community, and if there had been a fight, it was a fight for this principle. There are a large number of Hindus who, when they marry, have to renounce their religion, and this Bill only helps them to retain their religion and marry among themselves. This Bill has done nothing more than this. Sir, while we pressed forward this reform we were not oblivious of the rights of the orthodox section of the Hindu community. If we wanted our freedom of conscience to be preserved, we were anxious to recognise the right of the orthodox section for their freedom of conscience, and with that object in view, we made every concession that was required to be made, and the fact that my Honourable friend, Mr. Rangachariar is in favour of this Bill ought to satisfy any orthodox member of this Assembly. (*Honourable Members:* "No, no.") Sir, I do not wish to argue this point in order to satisfy those Members of this Assembly who are not yet satisfied. I hope time will change their attitude if nothing else will. Sir, on behalf of the progressive section of the Hindu community I therefore offer a hearty vote of thanks to my Honourable friend, Dr. Gour.

Sir P. S. Sivaswamy Aiyer (Tanjore cum Trichinopoly: Non-Muhamadan Rural): Sir, I wish to say a few words in support of the proposition which has been moved by my Honourable friend, Dr. Gour. In the first place I think we ought to congratulate him upon the persistency with which he has piloted this measure in the face of very considerable opposition, and congratulate him upon the success which has so far attended his efforts, and will, I believe, crown his efforts this evening. The fact that the Bill as it has emerged from the Select Committee has exposed Dr. Gour to a fire from all sides is, I think, some proof of the earnest attempt which has been made by the Select Committee to meet all reasonable objections. He has been exposed to criticism from those gentlemen who think that this Bill ought never to have been launched. He has been exposed to criticism from gentlemen who think that it has not gone far enough to meet the views of the social reformers. On a former occasion when Dr. Gour sought to introduce this Bill, I put forward the necessity for providing safeguards in the interests of those members of the orthodox community who might entertain a reasonable objection to being put to any hardship or inconvenience by such marriages being contracted by members of their families. The objections which I put forward on the last occasion have been met, the safeguards which I desired have been provided. I do not think that it can be reasonably suggested that the orthodox relations of a person who wishes to contract a marriage in this form are likely to be put to any hardship at all by reason of the provisions of this Bill. Now, if the question merely were what is the sentiment of the community at large which is likely to be effected by this measure, I must admit that that sentiment will be almost entirely against Dr. Gour's legislation. If I vote in favour of this legislation, it is not because I flatter myself or flatter my conscience that it is in accordance with the sentiments of the orthodox Hindu community at large, but it is because I think that a higher consideration comes into play, namely, the liberty of the conscience of the individual.

(At this stage Mr. President resumed the Chair.)

[Sir P. S. Sivaswamy Aiyer.]

No community has any right to dictate to any individual that he shall be obliged to make a declaration against his conscience if he wishes to take a particular line of action in regard to one of the most solemn relationships of life. It is because I felt that the cause of liberty of conscience was sacred and must override other considerations that I have supported the introduction of this Bill. On the one hand it grants that liberty of conscience, which all civilised Governments must recognise and which the Government of India has always recognised in its past legislation. It is that principle which has underlain the Freedom of Religion Act and many other measures affecting Hindu society. Much of the opposition to this Bill is due to the fact that people do not sufficiently realise the changes which have already been brought about by the Freedom of Religion Act. It is because people think that the Freedom of Religion Act has made no encroachment upon Hindu usages that they think that Dr. Gour's Bill makes a novel and unprecedented attack upon Hindu usages. Now I think the principle of individual liberty requires that we should grant to the individual the right to contract a marriage without being put to the necessity of making a false declaration. On the other hand, I do not think that this principle of individual liberty gives any right to a person to cause any serious inconvenience to the members of the family from which he separates by his conduct. The attitude of some of those gentlemen who criticised Dr. Gour's Bill as amended by the Select Committee is that while departing from actual Hindu usages and customs, they should have all the privileges conferred upon Hindus—without any of the responsibilities or duties forming part of such customs. That, I think, is a proposition which is not demanded by the exigencies of the principle of individual liberty. You have no right, if you depart from social usages to inflict your company upon those relations who wish to remain in the orthodox fold and from whose ways you have parted. Nor have you any right to thrust upon your orthodox relations heirs to their property whom according to the existing usages they would not be bound to recognise. These would be objections founded not merely on sentimental but on reasonable grounds, and the Bill as amended by the Select Committee has provided for all these reasonable objections. It is because I think the Bill has met all possible reasonable objections which may be urged in orthodox circles, and on the other hand, it recognises that principle of individual liberty which has been in the past acted upon by the Government in legislation of this kind, that I vote in favour of the motion.

Mr. Harchandrai Vishindas (Sind: Non-Muhammadan Rural): Sir, although it is not an illegal practice, still I think it is rather a novel practice and I do not remember its having been followed at any time previously, that after a Bill has been passed, clause by clause, when the Mover moves for its passing, there is opposition raised. But there was one particular occasion for that in the present instances. That is, that Dr. Nand Lal has been honestly feeling very strongly on this question, and as he did not get any opportunity in the course of the debate to speak, I am glad he has ventilated his grievances sufficiently and of those whom he considers he represents here.

But some remarks have fallen from some other Honourable Members in the course of the debate which require to be answered. Now, great play has been made with the fact that the Hindu marriage is a great sacrament and not a civil contract. Well, what follows? Supposing this Bill is

passed, is this sacramental nature of Hindu marriage going to be changed? So far as this sacramental nature of marriage as recognised in Hindu law, is concerned, certainly not. Then again those people who are great sticklers for every particular form of Hindu law forget that thousands and thousands of years have elapsed since the great Manu laid down his laws, and forget in how many directions we have undergone changes, revolutionary changes, in the Hindu law. Mr. Pyari Lal was very keen on the fact that we are violating the principles of Hindu law, that we are offending against Hindu law because this form of marriage was not recognised by the Hindu law. Is that so? Is there any passage in the law laid down by Manu which would go against a marriage of this kind? I think this point need not be laboured at great length. The very dresses that you are wearing, the very atmosphere that you are breathing, the very food that we are eating in many cases is not strictly orthodox as it existed in the days of Manu. Without naming names, but only looking in that direction, I can point out people who have opposed Dr. Gour's Bill and ask them whether they really adhere to all the rules of clothing and diet and other things that prevailed amongst Hindus. Certainly not. I think we shall be false to our education, we shall not be true to the civilization which we have inherited if we did not adapt ourselves to the changing circumstances. Therefore all those sentimental objections that have been raised to the Bill, according to me, are of no value whatever. Now, Sir, this Bill recognises a very great principle. What does it recognise? Briefly summed up, it is to put it in a nutshell, contained in a proverb which prevails both in Hindustani and other vernaculars, namely: *Mian bibi rasi to kya kerega qazi*. "If husband and wife are agreed, then why is it the business of anybody else to interfere?" Therefore, I say that those people who are opposing this Bill are doing great violence to this great principle of freedom which has been recognised in all countries. Why, an Englishman can marry an Irishwoman or a Frenchwoman; but a Brahmin cannot marry a Kshatriya, nor a Vaisya. Why should that be so? Mr. Jamnadas Dwarkadas tells me—his knowledge of Hindu law is better than mine—that in old days it was allowed.

However, there was one remark in this connection which must not be allowed to go unchallenged. Mr. Rangachariar has found himself in a dual position. Having been a member of the Select Committee and having attempted his best to truncate the Bill to the utmost possible limits—for which I am very sorry and I share the disappointment of Mr. Shahani,—he has signed the report of the Select Committee and by doing so has roused the ire of those of his orthodox colleagues who had seen him valiantly and with great pleasure fighting the battles of orthodoxy before the Bill went to the Select Committee. Now, Sir, finding this inconsistency of the dual position, when he was attacked here, he managed to reconcile his irreconcilable position by making a sneering attack upon those who will take advantage of this Act and marry according to its principle; and the remarks that he made—with due submission and with all the respect that is always due to him—were rather unwarranted. He said that these marriages will be love marriages and therefore he did not oppose them. But a man who takes advantage of the Act and marries under it will be like an outcaste; he should be driven out of society. That is to say, he is against this Act being taken advantage of. Now, Sir, I ask him to reflect as to what was the original object of the author of this Bill as well as of his predecessors to have brought about this Bill? Cases which Mr. Rangachariar condemns will be, I say, only one in a million. The

[Mr. Harchandrai Vishindas.]

cases for which Dr. Gour, Mr. Patel and Mr. Basu were striving to provide for are cases of inter-caste marriages which are at present prohibited. According to a ruling that was quoted by Munshi Iswar Saran, the Allahabad High Court ruled that a marriage between a Brahmin and a Kshatriya was null and void, and I say, Sir, with all confidence that in 99 cases out of 100, advantage of this Act will be taken by men with the consent of their parents. When there is a Brahmin and a Kshatriya family who are very friendly to each other, when the Brahmin father wishes his Brahmin son to be married to his friend Kshatriya's daughter, then alone these marriages will be contracted, and does Mr. Rangachariar dare say that that man becomes an outcaste and unworthy of society? Certainly not. There may be very rare instances of such a nature as are contemplated by Mr. Rangachariar, but I think the original object of the authors of this Bill has always been to provide for those hard cases, those cases which are an outrage to society, where man and woman come under the pale of different societies, under different labels, and are prevented from marrying each other on account of the existence of such a horrid law. If they come together, if both love together, is it not a much better marriage than when two people are forcibly brought together? Do the latter class of marriages prove happy marriages? If this Bill has for its object the provision for all kinds of marriages, it is a Bill that we should heartily welcome, and let me add my congratulations to those that have been very rightly heaped upon Dr. Gour by Mr. Joshi and Sir Sivaswami Aiyer by saying that where the great Basu failed, and where Mr. Patel failed, Dr. Gour has succeeded, and it is another feather in his cap and a crown of glory.

(Cries of 'The question be now put' from different parts of the House.)

The motion that the question be put was adopted.

Mr. President: The question is:

"That the Bill further to amend the Special Marriage Act, 1872, as amended, be passed."

The Assembly divided:

AYES—37.

Abdul Majid, Sheikh.
Abdulla, Mr. S. M.
Abul Kasem, Maulvi.
Ahmed, Mr. K.
Aiyar, Mr. A. V. V.
Aiyer, Sir P. S. Sivaswamy.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Barodawalla, Mr. S. K.
Bridge, Mr. G.
Chaudhuri, Mr. J.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Faridoonji, Mr. R.
Ginwala, Mr. P. P.
Gour, Dr. H. S.
Haigh, Mr. P. B.
Holme, Mr. H. F.
Jamall, Mr. A. O.

Jamnadas Dwarkadas, Mr.
Joshi, Mr. N. M.
Latthe, Mr. A. B.
Lindsay, Mr. Darcy.
Man Singh, Bhai.
Misra, Mr. B. N.
Mudaliar, Mr. S.
Muhammad Ismail, Mr. S.
Nag, Mr. G. C.
Percival, Mr. P. E.
Rangachariar, Mr. T.
Schamnad, Mr. Mahmood.
Shahani, Mr. S. C.
Subrahmanayam, Mr. C. S.
Venkatapatiraju, Mr. B.
Vishindas, Mr. H.
Webb, Sir Montagu.
Willson, Mr. W. S. J.

NOES—27.

Achariyar, Rao Bahadur P. T.
Srinivasa.

Agarwala, Lala Girdharilal.

Amjad Ali, Maulvi.

Asjad-ul-lah, Maulvi Miyan.

Ayyangar, Mr. M. G. M.

Barua, Mr. D. C.

Bhargava, Pandit J. L.

Bishambhar Nath, Mr.

Jafri, Mr. S. H. K.

Jatkar, Mr. B. H. R.

Lakshmi Narayan Lal, Mr.

Muhammad Hussain, Mr. T.

Mukherjee, Mr. J. N.

Nand Lal, Dr.

Neogy, Mr. K. C.

Pyari Lal, Mr.

Ramayya Pantulu, Mr. J.

Ramji, Mr. Manmohandas.

Sarfraz Hussain Khan, Mr.

Sarvadhikary, Sir Deva Prasad.

Singh, Babu B. P.

Singh, Mr. S. N.

Sinha, Babu Adit Prasad.

Sinha, Babu Ambica Prasad.

Sinha, Babu L. P.

Sohan Lal, Mr. Bakshi.

Srinivasa Rao, Mr. P. V.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 24th March, 1923.

LEGISLATIVE ASSEMBLY.

Saturday, 24th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

NUMBER OF MEMBERS OF LEGISLATURES.

617. ***Mr. Mohammad Ahsan Khan:** (a) Will the Government be pleased to give the number of Members of:

- (i) Council of State;
- (ii) Legislative Assembly;
- (iii) Madras Legislative Council;
- (iv) Bombay Legislative Council;
- (v) Bengal Legislative Council;
- (vi) United Provinces Legislative Council;
- (vii) Punjab Legislative Council;
- (viii) Bihar and Orissa Legislative Council;
- (ix) Central Provinces Legislative Council; and
- (x) Assam Legislative Council

who became the recipients of Indian titles during the years 1921, 1922 and up to 1st January, 1923?

(b) Is it a fact or not that the United Provinces Legislative Council gives a greater number than any other Council?

Mr. Denys Bray: The information asked for is not available. It could only be obtained by a reference to Local Governments but the expenditure of time and labour in making these inquiries would be in incommensurate with the value of the results to be obtained.

Mr. S. C. Shahani: Will Government be pleased to state if the Members of Council referred to in the question have been the recipients of titles for services rendered inside or outside the Councils or both inside and outside?

Mr. Denys Bray: The question sounds so complicated to my ears that I must ask for notice.

ASSISTANTS TO DIRECTOR GENERAL, POST OFFICE.

618. ***Mr. K. C. Neogy:** (a) Is it a fact that the Director General of Post offices had one Deputy Director General and one Personal Assistant, associated with him in his office at Simla and Delhi, prior to the creation of a Deputy Postmaster General's appointment for Sind and Baluchistan, last year?

(b) Is it a fact that the post of Personal Assistant to the Director General was abolished on the creation of the Deputy Postmaster Generalship for Sind and Baluchistan?

(c) Is it a fact that an appointment of Assistant Director General has recently been transferred from the main office in Calcutta to Delhi, although the section of which he held charge is in Calcutta; and has not this practically resulted in the substitution of the post of Personal Assistant by a higher appointment in the office of the Director General?

Colonel Sir Sydney Crookshank: (a) and (b). Up to March, 1922, the Director General had at Simla and Delhi one Deputy Director General of the Post Office and one Personal Assistant. The appointment of the latter was abolished from the 1st April, 1922, but its abolition was in no way connected with the creation of an appointment of Deputy Postmaster General for Sind and Baluchistan.

(c) The Assistant Director General in charge of the Establishment Branch has been transferred to the Simla Delhi office as a matter of administrative convenience. Establishment cases which require special care in preparation are dealt with by the Deputy Director General who is stationed in Simla and Delhi and it is convenient for him to have the Assistant Director General who works up these cases close at hand rather than in Calcutta. This arrangement has not resulted in the replacement of the post of Personal Assistant by a higher appointment.

RECOMMENDATIONS OF ARMS RULES COMMITTEE.

619. ***Baba Ujagar Singh Bedi:** Will Government be able to give the information to this House in this Session regarding my question No. 367?

The Honourable Sir Malcolm Hailey: The Honourable Member is referred to the statement I made in the House on the 22nd February. A letter is under issue to Local Governments on certain questions of detail and we are asking for very early replies.

BABU WISAKHA RAM, REGISTRATION CLERK.

620. ***Dr. Nand Lal:** (a) Will the Government be pleased to state if Babu Wisakha Ram, Registration clerk, Post Office Multan City, was tried, under section 52, Act 6, 1898, in May, 1922, for the theft of an insured bundle containing two insured articles for Rs. 1,200 each?

(b) Was he discharged by the City Magistrate who tried him?

(c) Has Babu Wisakha Ram been re-instated after his discharge?

(d) Did he receive the pay of the period of suspension and the expenses incurred in his defence.

(e) Has he submitted any representation to the Postmaster General, Punjab?

(f) If answer to the above is in the affirmative, will the Government be pleased to lay a copy of it (representation) on the table of this House, and state as to what response was given?

(g) What are the expenses that the Government incurred in the case against said Wisakha Ram?

Colonel Sir Sydney Crookshank: (a), (b) and (c). Yes.

(d) Babu Wisakha Ram will get full pay for the period of his suspension when the case is finally settled on receipt of the decision of the Court on the Civil Suit filed by the sender of the article. His application for expenses incurred in his defence has not yet been received by the Postmaster General, Punjab and North-West Frontier.

(e) No.

(f) In view of what has just been stated, these questions do not arise.

(g) The required information is not available.

CONVICTIONS UNDER FRONTIER CRIMES REGULATION.

621. ***Dr. Nand Lal:** Will the Government be pleased to state as to (a) how many men have been bound over under section 40 of the Frontier Crimes Regulation with effect from January, 1920, to May, 1922;

(b) how many of them are still in jail on account of their not having given security;

(c) in what jails they are confined?

The Honourable Sir Malcolm Hailey: The information is being collected and will be supplied when available.

CONVICTION OF PANDIT AMIR CHAND BAMBWAL AND HAKIM ABDUL JALIL.

622. ***Dr. Nand Lal:** (1) Is Government of India aware that Pandit Amir Chand Bambwal and Hakim Abdul Jalil, of Peshawar City, were under section 40, of Frontier Crimes Regulation, bound over to furnish security of Rs. 10,000 each for the period of three years?

(2) If the answer to question No. 1 be in affirmative, will they be pleased to lay on table the copy of that order?

(3) Is Government of India aware that they have failed to furnish security and are undergoing rigorous imprisonment?

(4) If so, will the Government be pleased to state as to what jail they are confined in?

(5) Will the Government of India be pleased to state as to whether it is a fact that the aforesaid Pandit Amir Chand and Hakim Abdul Jalil, were bound over because they were agitating for the amalgamation of the North-West Frontier Province with the Punjab?

(6) If the answer to question No. 5 be in negative, will the Government be pleased to state the cause of and ground on which they were so bound over?

(7) Will the Government of India be pleased to state as to why so excessive security, for rupees ten thousand each and for so long a period of three years was demanded?

(8) Will the Government of India be pleased to state that the aforesaid Pandit Amir Chand or Hakim Abdul Jalil had asked for a copy of the documents alluded to in the aforesaid order, dated the 22nd February, 1921, and it was refused?

(9) Is it true that they (the aforesaid Pandit Amir Chand and Hakim Abdul Jalil) applied within time to give evidence personally or in writing before the North-West Frontier Committee, and they either were not allowed to do so or no answer was given to them?

The Honourable Sir Malcolm Hailey: The information is being collected and will be supplied when available.

NORTH-WEST FRONTIER PROVINCE JUDICIARY.

623. ***Dr. Nand Lal:** (1) Is Government of India aware that a large section of the people of North-West Frontier Province are very anxious that it or at least its judiciary may be amalgamated with the Punjab?

(2) If answer to this be in affirmative, will the Government of India be pleased to say when are they going to appreciate people's wishes and order the aforesaid amalgamation?

Mr. Denys Bray: Government are not aware that the section who desire amalgamation in any form is large relatively to the size of the section who oppose it. As the Honourable Member is aware the whole question is now under the consideration of Government.

WORKING OF INCOME-TAX DEPARTMENT.

624. ***Dr. Nand Lal:** (1) Is Government of India aware that there is a great discontent and dissatisfaction owing to the ill-treatment of the Income-tax Department with Assesseees in the Punjab?

(2) Is the Government of India aware that some questions, in connection with the aforesaid treatment of the income-tax Department were submitted in the Punjab Provincial Council by a certain Member of that Council and were not allowed to be asked, because the income-tax was a Central subject?

(3) Is Government of India aware that in the Punjab, in some cases the income-tax returns duly verified and signed by the assesseees were wrongly disbelieved and assesseees were unduly put to hardship?

(4) Is Government of India aware that in the Punjab in some cases, the income-tax assessors summon a large number of busy and respectable assesseees on a certain day for the examination of their accounts and they or their Munims have, in some cases, to come again and again and in some cases they are unduly detained and put to a great hardship?

(5) Is Government of India aware that, in the Punjab, there were a number of complaints, against certain income-tax assessors and officers, to the Local Government?

(6) If answer to question No. 5 be in affirmative, will the Government of India be pleased to state as to what action was taken on those complaints?

The Honourable Sir Basil Blackett: The replies to parts (1), (3) and (4) are in the negative, and the reply to part (2) is in the affirmative.

(5) and (6). One complaint against an income-tax assessment from a firm in Amritsar was received by the Punjab Government and forwarded to the Government of India. The Board of Inland Revenue have asked the complainant to address the Commissioner of Income-tax in the Punjab in the first instance.

RECRUITMENT OF TELEGRAPH SIGNALLERS.

625. *Dr. Nand Lal: Will Government be pleased to say:

- (1) Whether recruitment of signallers to the Indian Telegraph Department has been entirely stopped, if so, when?
- (2) If the answer is in the affirmative, will Government be pleased to say whether it is a fact that Eurasian boys of the 4th and 5th Standards from the Lovedale School at Ooty are still regularly recruited annually without any entrance examination?
- (3) Are Government aware that there is an intense feeling among the Indian community on account of the frequent transfers of signallers from one corner of India to another, say from Madras to Lahore, Karachi to Calcutta, Lahore to Rangoon and so forth? If so, will Government be pleased to state the object of such frequent transfers causing extreme inconvenience to the transferees and financial loss to the tax-payer consequent on the payment of heavy travelling allowances?
- (4) Is it a fact that in recruiting men for the General Scale, Eurasian and Anglo-Indian boys who have not studied even up to the 4th or 5th standard are freely admitted, while in the case of Indians, the minimum educational qualification insisted upon is the B. A. degree before they are selected for the General scale, and even then there is a considerable disparity in the salaries and allowances paid to the two classes of employees?

Colonel Sir Sydney Crookshank: (1) and (2). No. The recruitment in departmental training classes only, with the exception of certain vacancies already promised, has been stopped since the 22nd August, 1922. The telegraph training classes attached to approved educational institutions are still open.

(3) Government are not aware of the existence of any such feeling. Transfers are ordered in the interests of the public service and considerations of economy are not ignored. One of the conditions of the General Service for the signalling staff, which enjoys a higher rate of pay, is liability for transfer anywhere in India or Burma. Signallers who object to this condition may join the local or station service.

(4) The reply is in the negative. In April 1920, 12 vacancies for probationers for the General Service were offered, as a temporary measure, to Indian graduates; whereas Anglo-Indians, who were recruited at the same time for vacancies in the same service were of lower educational qualifications, but none of them had passed anything less than the 7th standard. It is not the case that this differentiation in educational qualifications has been a regular practice.

Mr. S. O. Shahani: Will Government be pleased to state if, specially for Sind, they will be prepared to recruit for the Indian Telegraph Department annually students from the only first grade College in Sind—the D. J. Sind College—with or without an entrance test?

Mr. H. A. Sams: I shall be glad to consider the question.

Mr. S. O. Shahani: Are Government prepared to state that hereafter in the Indian Telegraph Department transfers from one corner of India to another will be discouraged?

Mr. H. A. Sams: These transfers are never made without necessity.

INDIAN TROOPS IN IRAQ, PALESTINE, ETC.

626. ***Mr. W. M. Hussanally:** (a) What Indian troops are at present serving in Iraq, Palestine, the Persian Gulf or the Persian Frontier?

(b) How long have they been so employed?

(c) When is it proposed to return them to India?

(d) What is the nature of their employment?

Mr. E. Burdon: (a) It would not be in the public interest to give the information asked for regarding the troops serving in Iraq and Palestine. There are one battalion and two companies of infantry serving in the Persian Gulf and on the Persian frontier respectively.

(b) There have been changes of composition from time to time in accordance with the ordinary system of reliefs and from other causes. Subject to this qualification, Indian troops have been employed in the localities referred to since the war.

(c) There is no immediate intention of withdrawing the troops employed in the Persian Gulf and on the Persian frontier. It would not be in the public interest to give the information asked for so far as the troops employed in Iraq and Palestine are concerned.

(d) The employment of troops in Iraq and Palestine is in pursuance of the Resolution adopted by this House on the 28th March, 1921. The troops in the Persian Gulf and on the Persian frontier are employed for the protection of British and Indian interests on the Persian Gulf littoral and in Western Baluchistan.

Mr. K. Ahmed: Will Government say what prospect or advantage there is for India in sending out troops to Iraq, Palestine, Persian Gulf and the Persian frontier?

Dr. H. S. Gour: Before that question is answered, Sir, may I ask the Honourable Member to say as to who pays for these troops?

Mr. E. Burdon: The troops in Iraq and Palestine are paid for entirely by His Majesty's Government. The Persian Gulf charges are divisible, as my Honourable friend can see from the Army Estimates, between His Majesty's Government and Indian revenues.

Mr. T. V. Seshagiri Ayyar: Does it include the transport charges from India to these places? Is it paid by India or by England?

Mr. E. Burdon: As far as Iraq and Palestine are concerned, every item of extra expenditure is borne by His Majesty's Government, including pensions and including mustering out charges and disbanding charges when the troops are returned.

Mr. K. Ahmed: May I repeat my question, therefore, Sir? What prospect India has or what advantage do we get by sending out Indian troops to the Frontier of Iraq and Palestine and Persian Gulf and the Persian Frontier? Is there any prospect of getting anything by spending so much from the revenue of India?

Mr. President: The question of advantage is a matter of opinion.

Mr. K. Ahmed: No, Sir; it is a matter of settled fact that we must pay. I want to know if there is a prospect of getting any advantage out of it; otherwise what is the use of sending our army to those places?

Mr. E. Burdon: I have already explained, Sir, that the troops in Iraq and Palestine are employed there in pursuance of a Resolution adopted by this Assembly.

Dr. H. S. Gour: Was it not, Sir, the Resolution of this Assembly that by service overseas these troops acquire a wider experience of actual warfare which strengthens the Indian Army?

Mr. E. Burdon: My Honourable friend is correct; that is one of the reasons.

RETAIL SALE OF POSTAGE STAMPS.

627. ***Mr. W. M. Hussanally:** (1) When was the system of the departmental retail sale of postage stamps introduced in supersession of the system of selling them on commission to stamp vendors?

(2) What were the reasons for the change and what are the advantages of the departmental sale?

(3) (a) What is the total cost to the post office per year of selling stamps departmentally to the public?

(b) What would be the cost if the old system of sale on commission were reverted to?

(4) (a) Is it a fact that at the time of the introduction of the present system the public strongly protested against the change in the press?

(b) Were any protests received by the Government; if so, from whom?

(5) (a) Are Government aware that the public are put to great inconvenience in purchasing stamps from the Post Office?

(b) Are Government aware that on the Post Office holidays and Sundays no stamps are sold and the inconvenience is greater?

(c) Is it a fact that this inconvenience leads to loss of revenue?

(6) (a) Do Government propose to arrange that stamps be sold to the public at every post office on holidays and Sundays?

(b) If not, do they propose to revert to the old practice of sale to stamp vendors on commission?

Colonel Sir Sydney Crookshank: (1) 1st April, 1907.

(2) Prior to the 1st April, 1907, there were two classes of postage stamp vendors, namely, postmaster, and licensed vendors. So far as postmasters were concerned, it was as much their duty to sell postage stamps as to perform any other postal work, and there was no reason why they should be given special remuneration for doing this duty. It was considered that if the discount was to be withdrawn from post office officials, it could not be allowed to licensed vendors. With the large and rapidly increasing number of post offices, not only in towns but in rural tracts as well, and with postmen and village postmen selling postage stamps at the doors of the public

everywhere, there was little need for any person to have recourse to a licensed vendor in order to obtain postage stamps. In the circumstances, it was considered that no inconvenience to the public would be occasioned by the withdrawal of the discount allowed on these stamps, nor would the sale of postage stamps be checked in any way.

(3) (a). It is regretted that the required information is not available.

(b) About 10 lakhs.

(4) (a). No such protest is on record.

(b) Yes; from the Indian Merchants' Chamber and Bureau

(5) (a). No.

(b) Government are aware that on Post Office holidays and Sundays no stamps are sold by the Post Office except at certain important towns; but they do not consider that this causes any real inconvenience. The public, knowing that the Post Office is closed, presumably provide themselves with stamps beforehand.

(c) Government do not consider that any loss of revenue is involved

(6) (a). No.

(b) No, the old system cannot be reverted to for financial and administrative reasons.

Mr. S. C. Shahani: Are Government aware that the public would be put to great inconvenience if they have to purchase stamps only from the stamp vendors?

Mr. H. A. Sams: Sir, I do not think the public are put to any inconvenience at all. This question of Mr. Hussanally has been brought up after the lapse of nearly 18 years. Since then it has not been found that the public has suffered any inconvenience whatsoever from the introduction of the new system in 1907.

Dr. H. S. Gour: Is the Honourable Member aware that stamps are sold by grocers and public-house keepers in England?

Mr. H. A. Sams: Yes, I am aware that this is the case so far as grocers are concerned; about public-houses I do not know. As far as I know grocers do not get any fee for doing so; they do it to suit their customers.

Mr. S. C. Shahani: Will Government be pleased to state if they will think it suitable to combine the two practices, the old practice of sales to stamp vendors on commission and the new practice of the departmental sales of postage stamps?

Mr. H. A. Sams: No, Sir, I do not think it will be any convenience to the public.

COTTON COMMITTEE.

628. ***Mr. J. N. Basu:** Will the Government be pleased to state whether it is intended to appoint a representative of cotton-growers in Burma, on the Committee to be formed under clause (4) of the Bill for the creation of a fund for improvement and development of cotton-growing in India, passed on 24th February, 1923, in the Assembly?

Mr. J. Hullah: The Committee provided in the Bill which has now become an Act is a large one and the Government of India do not at present propose to add to its membership. The Act provides that a representative of the Department of Agriculture in Burma shall be a Member.

COMMISSIONERS OF FEUDATORY STATES.

629. ***Babu Braja Sundar Dass:** (a) Will the Government be pleased to state if there have been two Commissioners and Superintendents of Feudatory States in the Geographical Orissa Division in the place of one?

(b) Was the appointment sanctioned by the Government of India?

Mr. Denys Bray: (a) Formerly the Commissioner of a neighbouring division of Bihar and Orissa held political charge of the Orissa Feudatory States assisted by a Political Agent and an Assistant Political Agent. Since the 1st April, 1922, the Commissioner has ceased to carry out any political duties, the status of the Political Agent has been raised and he is styled Political Agent and Commissioner, Orissa Feudatory States.

(b) The appointment was sanctioned by the Secretary of State for India.

POLITICAL AGENT OF FEUDATORY STATES, ORISSA.

630. ***Babu Braja Sundar Dass:** (a) Will the Government be pleased to state if the Political Agent of the Feudatory States of Orissa is a public servant of the British Government paid by the Government of Bihar and Orissa or by the Government of India?

(b) Are the Members of the Indian and Provincial Legislatures competent to ask questions regarding his actions in his official capacity?

Mr. Denys Bray: (a) He is a Government servant paid by the Government of India.

(b) Attention is invited to rule 8 (1) (ii) of the Indian Legislative Rules.

DESIGNATION OF LEGISLATIVE ASSEMBLY AS "LOWER HOUSE."

631. ***Lala Girdharilal Agarwala:** Have the Government decided to style the Legislative Assembly as the 'Lower House' officially? If not, do the Government propose to delete the words 'Lower House' printed in the Council of State Debates for Legislative Assembly (*Vide Volume 3, No. 28, page 969 of the Council of State Debates*)?

Sir Henry Moncreiff Smith: The answer to both parts of the Honourable Member's question is in the negative.

Mr. S. C. Shahani: Is the so-called Lower House constitutionally the Upper House in the control of the public purse?

Sir Henry Moncreiff Smith: That is a matter of opinion.

Maulvi Abul Kasem: Sir, with your permission I would ask a question of which I have given private notice to the Honourable the Home Member?

Mr. President: I thought the Honourable Member was going to ask a supplementary question.

Mr. S. C. Shahani: Is the so-called Upper House constitutionally competent to revise the decisions of the Lower House relating to the public purse?

Sir Henry Moncrieff Smith: That also, Sir, is a matter of opinion.

Dr. H. S. Gour: Sir, is it a matter of opinion, or is it part of the constitution?

Mr. K. Ahmed: Is red distinguished from black in the opinion of the Government of India?

GOLD STANDARD RESERVE.

Sir Montagu Webb: Sir, I desire your permission to ask the Honourable the Finance Member a question of which I have given him private notice. Will Government be pleased to state:

- (i) the present amount of the Gold Standard Reserve, and
- (ii) what portion of this amount is made up of interest as distinct from profits on coinage?

The Honourable Sir Basil Blackett: (i) The balance of the Gold Standard Reserve on the 31st December, 1922—the latest date up to which detailed figures are available—was £40,142,620.

(ii) The profits on coinage from 1900 onwards amounted to £28,573,606. There was a net profit on investments of £14,801,740. On the other hand, a sum of £1,123,655 was devoted to capital outlays on railways in 1907, and £2,109,071 was devoted to the reduction of created securities in the Paper Currency Reserve in the last two years.

Sir Montagu Webb: Do I understand, Sir, that there is no interest in that amount at all?

The Honourable Sir Basil Blackett: Interest is included in the figure of fourteen millions and odd on net profits in these figures.

Sir Montagu Webb: May I ask if the Honourable the Finance Member will take into consideration the expediency of using some portion of the interest of fourteen millions as revenue during the coming year?

The Honourable Sir Basil Blackett: 159 lakhs is included in the estimates of our revenue of the year or rather for the year 1923-24 representing the interest on the forty million in the Gold Standard Reserve.

Mr. B. S. Kamat: What is the rate of interests which the Gold Standard Reserve is earning in England?

The Honourable Sir Basil Blackett: That depends on the money market in England from time to time. The figure for next year is calculated at the rate of $2\frac{1}{2}$ per cent.

Mr. B. S. Kamat: Is it not possible to earn a better rate for all this money there?

The Honourable Sir Basil Blackett: The difficulty of course is, if you are going to keep the money so as to be readily available and in a form in which it may be turned into cash at short notice, under the conditions under which the Gold Standard Reserve is invested, it is impossible to earn anything better than the short money rate of interest, which, as the Honourable Member is aware, is not very much above 2 per cent. in London at present.

Mr. T. V. Seshagiri Ayyar: Is it not a fact that last year more than a year's interest was used for the purpose of meeting the deficit?

The Honourable Sir Basil Blackett: Last year no part of the interest was used towards meeting the deficit.

Mr. T. V. Seshagiri Ayyar: Was it done at any time before?

The Honourable Sir Basil Blackett: The Budget for 1923-24 is the first Budget in which any credit to revenue is taken for interest on Gold Standard Reserve.

Dr. H. S. Gour: Is not the rate of interest for short term loans in India higher than the corresponding rate in England?

The Honourable Sir Basil Blackett: Certainly it is. If the Honourable Member's point is that it would be desirable if we could earn the short money rate in India rather than in England, it is obviously a higher one, but then the Gold Standard would cease to be a support for exchange.

Rao Bahadur T. Rangachariar: Is it necessary to keep the full amount on short terms? Won't it be possible to keep part of it as long term and another part as short term?

Dr. H. S. Gour: Before that question is answered, I should like to ask, if it is not possible to transfer a portion of the Gold Standard Reserve in India and utilise it here at better rates of interest, so that it may serve the same purpose?

The Honourable Sir Basil Blackett: The transfer of the Gold Standard Reserve from England to India would have a very serious effect on Exchange unless it were brought here in the form of gold bullion. In that case it would earn no interest whatever.

Rao Bahadur T. Rangachariar: You have not answered my question.

The Honourable Sir Basil Blackett: With regard to Mr. Rangachariar's question, the question of the best use of the Gold Standard Reserve is intimately bound up with the question of the future of our exchange policy. I think it is possible that when the question of our exchange policy has been gone into a little further, it might be found that something better than 2½ per cent. could be earned on some part of the Gold Standard Reserve.

Sir Deva Prasad Sarvadhikary: Can the Government give us any idea as to what has been the longest period of these short loans?

The Honourable Sir Basil Blackett: I think the rule is that no investment must be made out of the funds of the Gold Standard Reserve, the maturity of which is more than a year ahead.

Sir Deva Prasad Sarvadhikary: And that is the shortest period of the loan?

The Honourable Sir Basil Blackett: Yes.

Sir Montagu Webb: If the Honourable Member is going to utilise over a crore and a half of interest for revenue during the forthcoming year, is there any reason, in principle, why the interest of the current year should not be similarly used?

The Honourable Sir Basil Blackett: The interest during the current year has already been devoted to writing down all created securities, and so it is no longer available.

OLD MOSQUES IN AND AROUND DELHI

Maulvi Abul Kasem: Sir, I asked a question of which I gave private notice to the Honourable the Home Member. Will the Government be pleased to state if they have taken any steps to repair the old mosques in and around Delhi, if so, how much have they spent on the mosques which they have repaired and are they open to Moslem public?

The Honourable Sir Malcolm Hailey: I am very glad, Sir, to be able to give this information, because I think that from a number of questions which we have received on the subject an attempt has been made to create an impression that we are devoting our energies in the neighbourhood of Delhi demolishing mosques and tombs. Now we have on the contrary spent a great deal of money in the conservation and repair of Muham--madan mosques and tombs, of historic and archaeological interest, and I think perhaps the House will bear with me if I give some full details of it. In the twelve years 1911 to 1922-23, we spent:

	Rs.
On the Kutab mosques and grounds	1,38,075
On repairs to the Kadam Shariff in 1921-22	6,559
On the Khirki Mosque in 1911 to 1923	6,455
On Sher Shah's Mosque in Purana Killa in 1912-22	4,154
On the Jama Masjid in Ferozshah Kotla in 1914-22	3,029
On the Wazirabad Mosque in 1913-16	2,753
On Moth ki Masjid in 1911-13	1,720
On Shah Abdul Nabi's Mosque on the Delhi Muttia Road in 1917-18	978
On the Chhanburj Mosque on the Ridge in 1913-23	804

We have spent minor sums on the Begumpur Mosque, the Mahrauli wall mosque, Jhunan Shah's mosque at Nizamuddin, the Maulana Jamali Kamali tomb and mosque, and Shah Alam's mosque amounting in all to Rs. 1,550. This gives a total expenditure on special works on mosques in the twelve years of Rs. 1,65,877. This does not include the annual recurring repairs which cannot be separated from the total Public Works Department expenditure on repairs.

In addition to this, Sir, we were instrumental in obtaining from His Exalted Highness the Nizam a sum of Rs. 11,000 for expenditure on the Nizamuddin buildings. Then let me take tombs

	Rs.
On Humayun's tomb in 1911-12 to 1922-23	60,414
Ghayazuddin Tughlak's Tomb in 1913-23	6,501
Safdar Jang's Tomb in 1914-15 and 1921-22	3,278
Nizamuddin's Tomb in 1912 to 1920	3,316
Darya Khan's Tomb in 1911-20	2,124
Sikander Lodi's Tomb in 1912 to 1916	1,758
Ism Khan's Tomb in 1911 to 1915	1,536
Adham Khan's Tomb in 1914-15	1,526

Smaller sums spent on Razya Begum's tomb, the Pir Ghaib, and Farid Murtaza Khan's tomb amounted to Rs. 631.* Including an expenditure of Rs. 1,17,651 in the nine years 1914-15 to 1922-23 on the maintenance of the gardens attached to the Humayun, Isa Khan and Safdar Jang tombs, the total expenditure comes to Rs. 1,98,129. As in the case of the mosques this does not include the ordinary annual repairs expenditure. We have, I may add, been in the receipt of comments based on the belief that we had spent considerable sums of money on Hindu temples and Sikh shrines and had spent nothing on Muhammadan monuments and mosques. But this is incorrect; we have spent nothing on the former objects in the New Delhi area. We are, it is true, repairing the wall round the Rikabgunj Quidwara, but that is part of the ordinary lay out of the New City.

Rao Bahadur T. Rangachariar: Has Government spent nothing on Hindu temples, or Sikh shrines or Jain temples?

The Honourable Sir Malcolm Halley: No, Sir. We have spent a certain amount of money on the gardens round two of the Sikh shrines in the new City, but on the shrines themselves we have I think spent nothing.

Rao Bahadur T. Rangachariar: Why is this, Sir?

The Honourable Sir Malcolm Halley: Mainly because, Sir, they have not the same archaeological interest and the Sikh shrines did not ask for assistance. Our motives were to preserve monuments of archaeological and historical interest. I have quoted the above facts simply to refute the statement that we have shown no care to preserve Muhammadan tombs or mosques.

Maulvi Abul Kasem: Sir, may I ask, in connection with all these mosques and tombs which are now under the control of Government and which the Government is not repairing or putting under repair, are they prepared to hand them over to the Muhammadans if they ask for it?

The Honourable Sir Malcolm Halley: I assume that the Honourable Member refers to buildings within the new City area. He suggests that the proper course is for us to hand these over to the Muhammadan community. Now, I might say in the first place as a general rule there is no body or authority to whom these could be handed over. They are our property and I consider that our obligations towards them end when we see that those buildings which have historical or archaeological interest or which are required for present religious use are not allowed to fall into further decay.

Mr. W. M. Hussanally: Sir, is it a fact that any of the smaller mosques in or round about Pahargunge or within the new Imperial Delhi City have been demolished by Government after they began building the new City?

The Honourable Sir Malcolm Halley: I have given all the information I can to the House in regard to the charges that have been levelled against us for demolishing these mosques. I believe that it is the case—it happened indeed in my own time—that a mosque to which some local importance was attached, although it was a very small one, was demolished, but we rebuilt it. The charge of demolishing mosques has been denied by the local authorities, and, as one inquiry after another comes up as to whether such and such mosques have been demolished, I invariably make further inquiries and give an answer on the subject. I think I may say that to my knowledge at all events, with the single exception that I have now given, no mosque has been demolished.

Mr. W. M. Hussanally: Is it a fact that recently, within the last few days, a compound wall of a small mosque in Asoka Road was demolished by the Public Works Department?

The Honourable Sir Malcolm Hailey: If the Honourable Member will furnish me with further details on the subject, I will make further inquiry into the matter.

Mr. W. M. Hussanally: Would it be possible to appoint a small local committee for the purpose of investigating these complaints and settling the question of mosques within the new Imperial Delhi City area?

The Honourable Sir Malcolm Hailey: I understand, Sir, that certain Members of this House have already approached the local administration on the subject. I need not point out that we have in Delhi a Chief Commissioner with the powers of a Local Government, and that suggestions of this nature should be made in the first instance to him. I believe, however, I am correct in saying that the answer given by the Chief Commissioner was that he was quite prepared to have a local committee's advice on the subject of these various buildings.

Mr. K. Ahmed: Did you not, Sir, within the four walls of this House give an undertaking and promised since the 15th of January last that inquiries would be made and efforts would be given to them? What has happened about the circular handed over to you, Sir . . .

Mr. President: Order, order. The Honourable Member handed me no circular.

The Honourable Sir Malcolm Hailey: Well, Sir, the circular was handed to me and it was handed to me, as Mr. Kabeer-ud-Din picturesquely said, within the four corners of this House. I have already replied to at least three of the points that were raised in that circular. If Mr. Kabeer-ud-Din's recollection is good, he will remember that he referred in that circular to two mosques in the Lady Hardinge College grounds, one at 'No. 27, Asoka Road. I have already given answer to these points. There were three or perhaps four other points mentioned, about which I have made inquiries and have not yet received the answers. As soon as I have done so, I shall place the answers at the disposal of the House. The mosques had existed for some centuries before we came here. They had for the most part fallen into disrepair some generations before this House assembled, and, if the Honourable Member has to wait another day or two before I am able to place the information in his hand, I hope he will not be impatient. But, Sir, I may also add that, as regards part of circular, I can give no answer to the Honourable Member, for it contains general allegations and appeals to Muhammadans on the subject which do not in my opinion require an answer. All I can promise to do is to take up any point in which any definite statement is made and give the best information in my power to the Honourable Member.

Mr. K. Ahmed: I take it, Sir, that Government is afraid to come forward and meet these points that are in the circular and only on a few points they will answer questions here.

The Honourable Sir Malcolm Hailey: No, Sir, where definite questions are put to me by Honourable Members, Government, so far from being afraid to take up the question, are fully prepared to take up the matter both in its own interests and those of the Muhammadan community. All

I said was that I was not prepared to enter, in reply to questions or otherwise, into general allegation that all the mosques in the neighbourhood of Delhi were being demolished, because I have already proved to the House that such allegations are false.

Mr. J. Chaudhuri: Sir, are not the ruins of Hindu temples at Brindaban, Muttra, of archaeological and historical interest, and will the Honourable the Home Member

Mr. President: The original question referred to Delhi. I understand the Honourable Member is now referring to Muttra.

The Honourable Sir Malcolm Hailey: Sir, I may add, as it is a corollary to questions that I was asked from the other side just now, that the reason for our spending so much on Muhammadan monuments in the neighbourhood of Delhi is, of course, that the history of Delhi is mainly a Muhammadan history,—(*Rao Bahadur T. Rangachariar*: “Why not Hindu also”?) and that, although Delhi may have by tradition great connection with the Hindu Delhi of mythology (*Rao Bahadur T. Rangachariar*: “Three generations”) and has an historical connection with the era which considerably preceded the Muhammadan conquests, yet there are no noteworthy remains of those periods; at all events such Hindu temples as we have in the particular area to which I am referring, namely, the New Delhi area, are not of any historical or archaeological importance.

Mr. S. C. Shahani: Are Government aware that the public will be against the Government handing over to the care of any groups of people buildings of historical and archaeological interests?

The Honourable Sir Malcolm Hailey: I am of opinion myself that we are better guardians of such buildings than anybody else.

Mr. J. Chaudhuri: What has been done with regard to Hindu Rao Koti?

The Honourable Sir Malcolm Hailey: Hindu Rao Koti is a hospital.

Mr. J. Chaudhuri: Is it not a Mahratta building?

Mr. President: Order, order.

UNSTARRED QUESTIONS AND ANSWERS.

RAILWAY SLEEPERS.

252. Dr. H. S. Gour: (1) With reference to the reply given by Government, to my question on the difference in price between the sleepers tendered for, on the 9th instant, will the Government be pleased to state the difference in price between the sleepers tendered for and the *jarrah* sleepers ordered by the Great Indian Peninsula Railway?

(2) What was the total amount spent upon the *jarrah* sleepers?

(3) (a) What is the life of a *jarrah* sleeper compared with the *deodar* sleeper?

(b) Is it a fact that *jarrah* sleepers are more perishable than *deodar* sleepers?

Mr. O. D. M. Hindley: (1) The price of a deodar sleeper delivered in the locality where these sleepers are required would be about Rs. 9-12-0 including freight, whereas the jarrah sleepers will cost about Rs. 8-14-0 each.

(2) A contract has been made for the supply of 1,00,000 jarrah sleepers at Rs. 8-12-8 each.

(3) (a) and (b). The life of a sleeper depends on the local conditions, such as climate, soil, etc., and in the very wet locality in which these 1,00,000 sleepers are to be used, the Agent, Great Indian Peninsula Railway, states that experience has proved the jarrah sleeper to be more satisfactory than deodar.

TRANSFERS OF POSTAL SUPERINTENDENTS.

253. **Mr. K. O. Neogy:** (a) Has the attention of Government been drawn to statements made in the General letter of the All-India Postal Union, dated the 7th February, 1928, relating to the transfers of Maulvi S. Ahmed and Mr. J. Newton, Superintendents of Post Offices?

(b) Is it a fact that Mr. Ahmed has been transferred from the Central Provinces to Mymensingh, and Mr. Newton from Dibrugarh to the Central Provinces?

(c) What is the amount of travelling allowance drawn by each of these officers on this occasion?

(d) Will Government be pleased to state particulars of transfers of Mr. J. Newton during the last five years, and the reasons for these transfers?

Colonel Sir Sydney Crookshank: (a) No; this matter had reference to an ordinary transfer and would not necessarily have been brought to the notice of Government.

(b) Maulvi S. Ahmed was transferred to Mymensingh, but took leave and asked for a transfer to the United Provinces, which request has already been granted on the occurrence of a vacancy in that Province. Mr. Newton was transferred from Bengal to the Central Circle.

(c) The amount of travelling allowance drawn by Mr. Newton is not known, but he will be entitled to the amount which is ordinarily admissible under the rules. Mr. Ahmed received his order of transfer to the United Provinces while at Delhi from which place he will get the travelling allowance ordinarily admissible when he joins his appointment.

(d) In September, 1919, Mr. Newton was transferred from the Bengal and Assam to the Bihar and Orissa Circle in the interests of the public service. In March, 1922, his re-transfer to the Bengal and Assam Circle was ordered as a result of the abolition of the post of the Reserve Superintendent in Bihar and Orissa. The Reserve Superintendent happened to be a Bihari and it was desirable to retain him in Bihar and transfer another Superintendent. In October last he was ordered to change places with Mr. Ahmed of the Central Circle whose transfer from that Circle was necessary in the interests of the public service.

CANTONMENT MAGISTRATES AS SUB-DIVISIONAL MAGISTRATES.

254. **Mr. Mohammad Yamin Khan:** Does the Government propose to appoint the Cantonment Magistrates as Sub-Divisional Magistrates under the District Magistrates?

DUTIES OF CANTONMENT MAGISTRATES.

255. Mr. Mohammad Yamin Khan: Do the Government propose to give option to the Cantonment Magistrates either to accept Magisterial post under the District Magistrate or executive career as Secretary to the Cantonment Committee?

Mr. E. Burdon: I propose to answer questions Nos. 254 and 255 together. Before this Session ends, Government propose to initiate legislation which, if carried out, will, amongst other things, have the effect of depriving Cantonment Magistrates of their judicial functions. The measures which it may be necessary to adopt in order to safeguard the legitimate interests of existing Cantonment Magistrates, if their conditions of service are affected in the manner which I have indicated, have not yet been finally considered by Government; and Government are accordingly not in a position to make any statement in regard to the suggestions of the Honourable Member.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform you that the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, which was passed by the Legislative Assembly at its meeting of the 20th March, 1923, was passed by the Council of State on the 23rd March, 1923, with the amendments indicated in the attached statement. The Council of State request the concurrence of the Legislative Assembly in the amendments."

The statement of amendments attached is as follows:

"1. In sub-clause (1) of clause 2 of the Bill, after the words 'construed as if' the words 'with effect from the first day of March, 1923' were inserted, and for the words 'one rupee and four annas' the words 'two rupees and eight annas' were substituted.

2. At the beginning of sub-clause (2) of clause 2 of the Bill, the following words were inserted, namely:

'With effect from the first day of March, 1923.'

3. Sub-clause (3) of clause 2 of the Bill was omitted.

4. To clause 3 of the Bill the following new sub-clause was added, namely:

'(3) The amendments made in the Indian Tariff Act, 1894, by this section shall have effect from the first day of March, 1923.'

COMMUNICATION FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

The Honourable Sir Malcolm Hailey (Home Member): Sir, in pursuance of the rule of practice laid down as No. 137 on page 45 of the Manual of Business and Procedure, I hereby beg to hand you a communication from the Governor General.

Mr. President: The following Message has been received from His Excellency the Viceroy:

"In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax in the form in which it was passed by the Council of State.

(Sd.) **READING,**

Viceroy and Governor General."

Rao Bahadur T. Rangachariar: (Madras City: Non-Muhammadan Urban): Sir, arising out of that Message, might I draw your attention to section 67B under which this Message has been sent to us? Are we to pass the Bill again, Sir? We have already passed the Bill, Sir. I thought it only remained for us to agree or disagree with the amendments made by the Council of State. I see the recommendation is to pass the Bill. Is there any further procedure of passing the Bill in this House?

Mr. President: A motion will have to be made in relation to the Bill, on the day on which it is set down for consideration, by Government.

RESOLUTION RE RAILWAY CONCESSIONS AND REDUCTION IN FARES.

Mr. K. Ahmed, (Rajshahi Division: Muhammadan Rural): Sir, I beg to move:

"That this Assembly recommends to the Governor General in Council that in all State Railways return tickets for the 1st, 2nd and inter class passengers be issued at a fare and a third during the Puja, Christmas and Easter holidays and fares for the third class passengers be reduced by one-fourth immediately."

Sir, this House is aware that it is a recognised principle of Railway economics that passenger traffic is a great contributor to the total revenues of the Railways and that the passenger traffic consists mainly of third class passengers. The importance of the third class passengers, Sir, is so great in the balancing of the Railway Budget that it has been suggested that the Railways would make a lot more profit by paying a premium to every first and second class passenger to induce him not to travel in order that the accommodation thus rendered available might be occupied more profitably by the third class passengers. In the interest of equality, particularly in these days of rampant democracy, I propose to include in the benefits to be derived by the passing of my Resolution the richer classes as well, because it is not equitable that a man should be penalised for no other reason than that he has more money in his pocket than his fellows. My Resolution, moreover, Sir, is as much in the interests of the Railways themselves as in that of the classes and the masses, for whom the facilities are provided by the Railways. It is well known that increased passenger fares tend to reduce the revenues of Railways from this particular source of income. As a matter of fact, Sir, the principle was so well understood by the authorities that Railway concessions in fares had long been in existence in this country and it was only during the unfortunate years of

the last great war that these long-enjoyed concessions were ended, not because by that measure the Railway authorities hoped to increase their revenues, but because the war conditions made it impossible for them to cope with the large traffic that the concession rates usually promote. Now that the war conditions have ended, I beg to suggest in their own interests that the Railway authorities ought to grant concession rates for all classes of passengers, because thereby not only will they benefit the public but themselves as well.

I need hardly spend more than a few minutes, Sir, upon the social and the commercial sides of the question. People travel, Sir, for a variety of reasons; some for business, some in search of employment, some for pleasure or pastime, some for marriages, some for funeral ceremonies and so on. Besides, there is a large portion of the public that travels either in search of work or in execution of the work they have obtained. Fairs and festivities also draw a large number of people. We have an example of it in the fair held at Meerut close by, at Ajmer, at Bindhachal and other places. The social side of the railway question is as important as any other aspect and it is highly desirable that the concessions which had been long enjoyed by the people of this country should be restored to them. Again, Sir, the educational aspect of the question is a very important one, but it is not necessary for me to lecture to the Honourable Members of this House upon the broadening effects of travel as almost all of them more or less must have at one time or other written their school essay on the subject. It is known everywhere that labour in India is cheaper than in any other country in the world, and in comparison to those countries the Indian labour has got very little asset, very little saving to pay the rate, I mean the increased rate of railway fare in order to travel in this country, considering his income is so small,—it is, I believe, one-sixth, or some say it is less than one-sixth.

Mr. President: Order, order. The Honourable Member seems to have composed his speech for a different Resolution altogether. I must draw his attention, lest other Members should fall into the error of following him,* to the fact that his Resolution is confined to concessions during certain holidays and to the reduction of the 3rd class passenger fares. He must confine his remarks strictly to that.

Mr. K. Ahmed: If you follow me patiently, Sir, you will find that I am not very far away. It touches third class passengers, and I shall deal with the first and second classes along with the third class when I come to give the statistics. So I have a perfect right so far as the Resolution is worded. The language also will not take me far away.

Mr. S. O. Shahani (Sind Jagirdars and Zamindars: Landholders): I beg to rise to a point of order. Are not tickets being issued at concession rates during holidays now?

Mr. K. Ahmed: That is not a point of order. It will be for the Honourable Member to enlighten the House when I have finished if he has got any additional information. In Japan the third class fare is 5 and one-fifth pice for the first 50 miles gradually reduced to 4 pice. Second class is double third class, and first class treble third class. 20 to 50 per cent. of the third class fare is reduced in the case of schools and colleges. 50 passengers or more travelling together get a reduction of from 10 to 60 per cent. 3rd class passengers here render possible a larger profit to the railways than the 1st and 2nd class passengers. I shall give the

[Mr. K. Ahmed.]

statistics later on. In the 1886-87 account of the East Indian Railway we find the receipt from 1st class was 17.17 pice whereas the haulage was 11.77. Therefore at that time there was a profit of 5.40. Of course, now there is no profit. Honourable Members will remember that on the 1st March 1922, the Honourable the Finance Member stated that there was a lot of deficit, several crores. This year also you have heard that there is a large amount of loss of revenue from the railways. I shall bring out that point also later. The income from second class was 21.03 and the cost was 11.77. Therefore there was a profit at that time of 9.26. In the 3rd class we had 56.05 income and haulage was 11.17. Therefore the profit was 44.88. I now come to the statistics relating to the Oudh and Rohilkhand Railway. First class income was 13.20 and the haulage was 14.89. Therefore there was a loss of 1.69. With regard to the second class, income was 12.60 and haulage was 14.89, thereby giving a minus balance of 2.29. So, the first and second class did not fetch any income at all. Now, with regard to the third class it was 66.27 against a haulage of 14.89. Therefore there was a substantial profit of 51.38. That is the income from the third class passengers and that is how the railways get their revenue and how the salaries of high officers are paid as lump sum out of the income of the poor third class passengers who are looked down upon as is evident from the debate in the Assembly last year and this year, especially from the speech of Mr. Joshi. Then, I shall come to the Administration Report of the Indian Railways for the year 1921-22, Volume I, page 15. The number of passengers carried (in thousands) of third class was 490,733 and the amount of money that was earned in that year from third class passenger fares was about 28.5 crores of rupees. The Report says:

"In respect of the last year it will be noticed that the numbers of passengers by first, second, and intermediate classes have declined compared with 1920-21, while the third class shows a small increase. In spite of the fall in numbers, the earnings from the first two classes have risen, while the yield from the intermediate and third classes has fallen compared with 1920-21. This latter result which is very significant is due to decreased load. Economic factors have in fact forced the third class passengers in India to forego indulgence in long journeys in the same way as has happened elsewhere in the world, and have checked the rapid increase in the numbers travelling which is evidenced in the figures of previous years. Decreased third class travelling is also to some extent attributable to the fact that insufficiency of stock has forced many railway administrations to refuse to make special arrangements for *melés* which in the ordinary course of events attract large numbers of passengers."

Now, Sir, last year in explaining the budget of 1922-23 the Honourable the Finance Member, Sir Malcolm Hailey, said "There can, 12 Noon. I imagine, be no room for diversity of opinion, namely, that the railways must pay their own way. The estimates which I have given already take account of a substantial increase in goods rates

Mr. President: The Honourable Member must address himself to the subject of his own Resolution, which is concessions during certain holidays.

Mr. K. Ahmed: Last year when the Finance Member introduced the Budget he said that he wanted 6 crores of rupees to be raised by increasing railway fares to the extent of 25 per cent. and, Sir, this year on the 1st of March you have heard that in spite of that increase the railways did not get the income which the Finance Member anticipated. That is the reason why I am making this argument, that the way of thinking of the Railway Department and of the Finance Member was no good and that it was futile for him any longer to think that by increasing the rate of fares he will get a higher income.

Khan Bahadur Saiyid Muhammad Ismail (Patna and Chota Nagpur cum Orissa: Muhammadan): Is a quorum present in the House?

Mr. President: As a quorum has been demanded, the division bell will ring for two minutes.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): Is it in order for Honourable Members to lure away others as is done?

Mr. President: The quorum is present.

Mr. K. Ahmed: What has been the result of the enhancement of passenger fares. The Honourable the Finance Member in his budget speech only on the 1st of March, said that the receipt from passengers has been disappointing and that there has been an appreciable falling off in the passenger traffic.

Mr. President: I have pointed out four times to the Honourable Member that he is not addressing himself to the terms of his Resolution.

Mr. K. Ahmed: I therefore say, Sir, that following the precedent set by some company managed railways that have already introduced the concession rates, for instance the Bengal Nagpur Railway, and other lines, the proposal in my Resolution should be accepted, not merely in the interests of the travelling public but also in the interests of the Indian railways and the financial interests of the Government of India itself because, Sir, the Government of India at the present juncture is in a hopeless financial condition and more revenues will be, in my opinion, very welcome indeed. With these few words, I strongly and emphatically move my Resolution which is:

"This Assembly recommends to the Governor General in Council that in all State Railways return tickets for the 1st, 2nd and inter class passengers be issued at a fare and a third during the Puja, Christmas and Easter holidays and fares for the third class passengers be reduced by one-fourth immediately."

I commend my Resolution to the acceptance of the House.

• **Dr. H. S. Gour** (Nagpur Division: Non-Muhammadan): I am not in a position to support the Resolution moved by my Honourable friend, but so far as I am able to support it, I have set out in my own amendment and I therefore move it:

That the following be substituted for the original Resolution:

"This Assembly recommends to the Governor General in Council to take such steps as may be necessary to ensure the resumption of return tickets on Railways and the reduction of third class fare for passengers."

The two points involved in my amendment are the resumption of return tickets on railways and the reduction of third class passenger fares. I need not dilate on the first point because I have no reason to doubt that Government will be in a position to give us a reassuring reply. As Honourable Members are aware, return tickets were issued before the war on almost all the railways, but owing to the shortage of the rolling stock the return tickets were discontinued and I understand return tickets have been resumed in several railways, but I think they have not been generally resumed. I happen to know that there is no resumption of return tickets on the Great Indian Peninsula Railway. All I want is that Government should do what all countries, including England, have done to restore the conditions of normal traffic.

[Dr. H. S. Gour.]

As regards my second point, the reduction of third class fares, I think, Sir, I am voicing the general complaint of the public that the third class fare has increased of late to such an extent that it has a marked effect upon traffic of that class. I therefore request Government to see whether third class fares cannot be reduced. With these words, Sir, I commend my amendment to the vote of the House.

Mr. K. Ahmed: I accept the amendment, Sir.

Mr. President: I have some difficulty here. The Honourable Member who moved the Resolution explicitly confined himself to State Railways and the issue of concession tickets; but I am not very certain of the bearing of the last 8 or 10 words of his Resolution. If the Government wishes to reply to the point raised by Dr. Gour I am prepared to overlook the point of order.

Mr. O. D. M. Hindley (Chief Commissioner, Railways): I do not think, Sir, I need take up the time of the House very long over this question. It is purely a practical question, a business question, and we have, as the House is aware, been urged very strongly for the last year or two and again very recently by the Retrenchment Committee to deal with railway business on commercial lines. Now, Sir, the House itself has I think absorbed that idea very rapidly as the result of perusing the Retrenchment Committee's report and Honourable Members of this House have been very insistent upon our carrying out such measures as will ensure the railways earning a profit. It really seems to me very inconsistent that one week some Members of this House wish to reduce working expenses of railways by 4 crores in order to show a profit and in the following week other Members come forward with a proposition which, taken literally, would reduce the revenues of railways by $7\frac{1}{2}$ crores. If the House is looking for commercial management and for a satisfactory return on the capital invested in railways, it cannot expect to get these results by making arbitrary reductions in earnings such as the Mover of this Resolution demands. The matter of making rates for railways is a very complicated and difficult one, but there are certain essential principles which must be observed in fixing rates. In the first place, these rates must be such as to pay for the working cost of carrying the traffic. That is the lower limit. The upper limit should be fixed in such a way as to produce the maximum revenue without causing a shrinkage of traffic. Those are the two limits, and as the House is aware, we leave the actual rates to the local administrations to settle. It is only by judging local conditions and watching the traffic that appropriate rates can be fixed for different kinds of traffic. These remarks apply equally to the question of reducing or otherwise altering third class passenger fares and to the so-called concessions to which the Honourable Mover has referred. Any railway administration which finds that it can increase its revenue by reducing fares, either partially for special occasions or wholly for all third class passengers, will do so at once. There is no question about that. It is purely a matter of business and it is a matter which is being watched most carefully by all Agents. Having regard to the fact that the only scientific way of fixing rates is to fix them with regard to traffic in different parts of the country it is necessary for the Government to confine itself to fixing maxima and minima rates, as the House is well aware; and Government do not interfere in these matters of fixing actual rates. The maximum rate for

third class passengers stood at 3 pies per mile from the year 1887 until it was raised in April, 1917, to 4 pies for mail and fast passengers, the old rate remaining in force for slow trains. And Honourable Members will be aware that practically through the whole of the war years the railways of India were almost alone amongst all the railways in the world in not increasing fares appropriately to meet increased costs. It was only as the result of the two years following the war, when we were faced with enormous increases of wages and materials, that it became absolutely essential to raise the fares again last year. In Great Britain, for instance, the fares were raised early in the war by 50 per cent. and again subsequently raised to a point which brought them up to 75 per cent. above the pre-war level. They have been recently slightly reduced but they still stand somewhere about 50 per cent. over pre-war rates.

With regard to the Honourable Mover's remarks about the falling off in numbers of passengers, the figures for the complete year are not yet available; but Honourable Members have been given the figures for the first 9 months of the year, that is, to the end of December, in the memorandum which was issued with the budget. I think perhaps these were the figures to which the Honourable Mover referred. If Honourable Members will bear with me a moment I will remind them that during the nine months the total number of third class passengers carried fell from 358½ millions in 1921-22 to 357·9 millions in 1922-23, a total reduction of about 650,000 passengers out of 358 millions, or rather less than .2 per cent. At the same time the increase in earnings was over 2 crores in the 9 months. It will therefore be seen that the increase in fares has brought in increased revenue without any very serious reduction in the number of passengers who travel. During those 9 months the earnings from third class passengers amounted to 22·37 crores, and on the same average it may be expected that the total earnings of the year will amount to 30 crores of rupees from third class passengers. Now, taking the Honourable Mover's Resolution literally, that third class fares should be reduced by one-fourth, during the coming year we should have to expect a drop of 7½ crores in earnings on third class passengers. I do not think, Sir, it is necessary for me to labour that argument any further. It is perfectly obvious that the railways, if they are to be worked at a profit, could not stand a reduction of revenue of that kind.

In regard to the concessions, the question of cheap return tickets at certain holiday and festival times during the year, and the larger question which Dr. Gour has mentioned regarding the resumption of return tickets, this is also a matter of business. They are not concessions doled out to the public for being good. They are purely a matter of business and they are so regarded by every railway administration in the world. They are purely a matter of business and they are so regarded by every Railway Administration in the world. If a Railway can increase its traffic and increase its earnings by offering cheap fares at certain periods of the year or over certain distances or for certain occasions, it will do so; but they cannot be regarded by the public as rights or even as concessions which the railways should hand out as the result of exceptional prosperity or anything of that sort. It is a matter of business. If a railway can earn more traffic and has the carrying capacity to increase its traffic, it will undoubtedly see the business side of it and give these cheaper fares, cheaper rates and cheaper return tickets or concessions of that kind at holiday times. But as every Honourable Member is aware, the railways are not in a position at the present time to cater for a very large increase of traffic. We

[Mr. C. D. M. Hindley.]

still have to some extent, not perhaps overcrowding but distinctly, crowding—complaints about overcrowding have, I am glad to say, dropped for some time, but there is no question about the practical impossibility of attempting to attract much traffic by offering cheap terms when we cannot carry the traffic which would in that case offer. The amendment which Dr. Gour has proposed, I understand, reads thus: "This Assembly recommends to the Governor General in Council to take such steps as may be necessary to ensure the resumption of return tickets on railways and the reduction of third class fares for passengers." I do not think, Sir, that I can accept that amendment as it stands, because it requires the Government to take steps to ensure the resumption of return tickets. Now, Sir, as I have pointed out, this is a pure matter of business. Railways are being compelled by public opinion and by their own good sense to work on business lines, and it would be impossible for Government to force an early resumption of return tickets or a reduction of third class fares unless it could be shown that that was a sound business proposition. I would suggest that the following might perhaps take the place of the Honourable Mover's Resolution if this meets the views of the House, and as I believe the House wishes to express an opinion on this subject, I would suggest an amendment in this form:

"This Assembly recommends to the Governor General in Council that the effect of the last increase in third class passenger fares be carefully watched, and that Railway Administrations be advised to reduce them if experience shows that they are greater than the traffic can bear."

That, Sir, is the amendment which I propose.

Mr. President: I informed the Assembly before I called upon the Chief Commissioner of Railways, that I was prepared to overlook on this occasion the point of order which would otherwise arise regarding the character of Dr. Gour's amendment which I have not accepted. I should be creating an awkward precedent if on this occasion

Dr. H. S. Gour: It is not objected to by the Government, Sir, and we are prepared to accept the Government amendment in supersession of both the Resolution as well as my amendment

Mr. President: Then some day on a Resolution of much greater importance the Honourable Member will attempt to trip the Chair up with the proceedings of this day. I must treat this merely as an undertaking by Government and not as an amendment,—and then I think I must put the original Resolution to the vote unless of course it is withdrawn.

The Honourable Mr. C. A. Innes: Perhaps the Honourable Mover will withdraw his Resolution on the understanding that we give the assurance which is contained in the draft amendment which has been handed in to you, Sir?

Mr. K. Ahmed: I have not followed the amendment, Sir. I do not know the amendment, Sir.

Mr. President: It is not an amendment, it is an undertaking given by Government.

Mr. K. Ahmed: What is the undertaking, Sir?

Mr. President: The form in which it is given is this :

"That the effect of the last increase in third-class passenger fares be carefully watched, and that Railway Administrations be advised to reduce them if experience shows that they are greater than the traffic can bear."

Mr. K. Ahmed: I accept the amendment. I beg to withdraw.

The Resolution was, by leave of the Assembly, withdrawn.

RESOLUTION *RE* STOPPAGE OF RECRUITMENT FOR SERVICES OUTSIDE INDIA.

Mr. B. Venkatapatiraju (Ganjam *cum* Vizagapatam: Rural): Sir, the Resolution which stands in my name runs as follows :

"This Assembly recommends to the Governor General in Council that with a view to effect substantial reduction in expenditure under service heads, necessary steps be taken for stopping further recruitment for services, outside India, excepting the employment of Foreign experts on special terms when necessity arises."

This is an important Resolution, Sir, and to adopt the phrase of the Honourable Mr. Innes, if I am honest to myself and to my country, if my candid criticisms may not be agreeable I only request the indulgence of the House that they should be taken in the spirit in which they are offered. A Resolution was moved by the Honourable Mr. Jannadas Dwarkadas on this subject on the 11th February, 1922, to this effect :

"That having regard to the Declaration of August 1917 the recruitment for all-India services excepting those of a technical character shall be made as far as possible in India and provide educational facilities for Indians to enter technical services in large numbers."

An amendment was moved and subsequently adopted by the House which ran as follows :

"That inquiries should without delay be inaugurated as to the measures possible to give further effect to the Declaration of August 20, 1917, in the direction of increased recruitment of Indians for the all-India services."

But so far as I am aware, I do not know whether any inquiries were inaugurated; nothing was done to our knowledge. But, my Resolution, Sir, is quasi-economic rather than wholly political. Lord Inchcape's Committee made it abundantly clear that the country cannot afford to spend money on the present scale, and that in spite of post-war new taxation estimated to yield 49 crores annually being enforced, and the tax-paying capacity being limited, substantial retrenchment of expenditure is inevitable. Though grateful to the Committee for what they have said, we must say that theirs is not the last word on the subject. On the eve of their recommendations, the already heavily burdened people are now threatened with additional taxation, especially the poverty-stricken masses. My object is to suggest measures in this Resolution to reduce the heavy burden and emancipate the nation. We have heard their words and empty promises in abundance, which have not availed us much. I propose in my Resolution a drastic change of policy, nothing short of which can satisfy public opinion. The British policy of seeking primarily the advantages of the mother country must be entirely reversed, and the paramount motive of the good of India alone should guide every action of the Government of India. It should seek first, last and only the good of the country, unswerved by any other considerations. Queen Victoria of

[Mr. B. Venkatapathiraju.]

blessed memory, in the memorable words of her Proclamation on assuming the charge of direct rule of our land, said :

"In their prosperity shall be our strength, in their contentment our security and in their gratitude our best reward."

And may God grant to us and those in authority under us, strength to carry out these our wishes for the good of our people. The disability of Indians in the matter of appointments was removed as far back as 1833, and the Government of India were instructed in 1834 to admit Indians to places of trust as freely and as extensively as their individual aptitudes justified. Queen Victoria stated further in her Proclamation that Indians should be freely and impartially admitted to offices in her service. Their Majesties King Edward and King George echoed the same sentiment. After seven decades of these declarations what do we find? We find 18 per cent. of Indians employed in the Indian Civil Service, 5 per cent. in the Police, 14 per cent. in the Forest, 26 per cent. in Agriculture, 38 per cent. in Educational, 38 per cent. in Engineering, 11 per cent. in Medical, and 23 per cent. in Customs. Are we to take it that Indians have been impartially and freely admitted to appointment during all these 70 years? I am aware that this Assembly or even the Government of India has no control over the recruitment of all-India services, unlike the self-governing colonies. Sir William Vincent told us that from 1897 to 1916 recruitment to the Civil Service was 66 Indians out of 960. From 1917 to 1921, it was 59 Indians against 126 Europeans, and in 1921 37 Indians and 38 Europeans. In the Medical Service the proportion was 48 Indians and 112 Europeans before, and after 1917-1921, it was 78 Indians and 48 Europeans. We must be thankful for little mercies. The only point of view that is reasonable according to my humble submission, is that the importation of officials from outside India should be limited to clear cases of necessity. The question is not how many or how few Indians should be employed, but how many it is indispensable to recruit from abroad for want of men in India. If the question is not approached in that spirit, self-government as the goal is mere camouflage and economical administration is impossible. The suggestion that in the Civil Service there should be 33 per cent. of Indians rising by $1\frac{1}{2}$ per cent. every year till the maximum of 48 per cent. is reached in 10 years, in Education 50 per cent., in the Indian Police 33 per cent., Engineers 75 per cent., State Railways 50 per cent., Telegraphs 50 per cent. and so on is based on wrong and untenable grounds. I do not understand the necessity for recruiting not only to the Indian Civil Service, but also the Indian Medical Service, the Military, Military Finance (I do not know if the figures are to be scanned differently), Education, Police, Public Works, including Railway Engineering, Telegraphs, Agriculture, Forest, Survey, Mines, Mint and Assay. They account for 3,426 officers drawing average pay of Rs. 800 to Rs. 1,600, of whom the Indian Civil Service average 1,350. There were only 269 Indians, of whom 69 were promoted from the Provinces by 1918. My suggestion is that the public services of India and all these branches of all-India services should be recruited in the country itself. If the assumed British responsibility for the good Government of India necessarily implies the perpetuation of British officers, then it is high time that we should ask for responsible government, with its concomitant power of control over recruitment. Fixing any proportion for recruitment is postponing the date for conferring self-government indefinitely. This Assembly should definitely pronounce their opinion that when qualified Indians are available, recourse

should not be had to recruitment elsewhere except in India, both on economic and political grounds. The standard of qualifications required should be fixed high for the superior services so as to secure efficient men from all communities without showing undue favour to any one community or another, to the prejudice of others. The salary should be fixed according to the qualifications and demands made of the candidates and the financial resources of the country, and the market value of the services. Naturally experts recruited abroad should be paid higher salaries according to the competitive value. In the military, as was pointed out by Lord Inchcape, since 1913-14 the pay and allowances of British officers alone was increased from Rs. 4½ crores to Rs. 8½ crores. British other ranks from 3.6 crores to 10.39 crores. In Military Works 225 draw 27½ lakhs, and in Civil Services, 2,890 was increased to 3,242 with salaries and allowances 172 lakhs raised to 259 lakhs; clerical establishment from 231 to 533 lakhs; Industrial and Technical, 68,094 from 193 to 402 lakhs; temporary staff 1½ officers draw 16 lakhs. Railway traffic expenses increased from 488 to 964 on account of staff. State Railways employ 425 Europeans and Anglo-Indians drawing a monthly salary of Rs. 1,35,000, and 164 Indians drawing Rs. 40,000. State Railways worked by Companies unfortunately employed 1,143 Europeans drawing Rs. 8,92,000 against 42 Indians drawing Rs. 16,000. I may mention, Sir, when we compare the pre-war wages of our railway officials in India with those of officials employed in Europe, it looks as if we are paying extravagant salaries. Danish State railways paid only Rs. 73 to Rs. 900 per mensem; Swedish railways pay Rs. 63 to Rs. 1,397 per mensem; Norwegian railways pay Rs. 55 to 450 rupees . . .

Mr. President: Order, order. I do not understand how that is in order on this Resolution.

Mr. B. Venkatapatiraju: I may mention, Sir, that the Government of India has complete control over the appointments made on State railways, whether managed by the State or by Companies, because all appointments have to be confirmed by the Government of India, and therefore I believe I am in order.

• **Mr. President:** Questions of pay do not arise here. The Honourable Member is moving a Resolution to stop recruitment outside India for services under the control of Government, except in cases where experts are required. He must address himself to the substance of the question, which is the stoppage of recruitment in England.

Mr. B. Venkatapatiraju: Most of these railway employees are imported from abroad . . .

The Honourable Sir Malcolm Hailey (Home Member): Might I further make a request? I think we might know exactly what case we have to argue. Is the Honourable Member referring only to the civil service or the military services? As he proceeded to quote a large number of facts about military services, he has left a doubt in my mind as to the exact proposition I have to answer.

Mr. B. Venkatapatiraju: I am referring to all services under the control of the Government of India, where they have to employ men, and whether Indians or from abroad. If they have no control over them, I have no business to bring it to the notice of this Assembly at this stage.

The Honourable Sir Malcolm Hailey: Then may I inquire whether the Honourable Member wishes to argue the case of the Indian Army also?

Mr. B. Venkatapatiraju: I am mentioning all officers that are imported with reference to whom the Government of India or the Secretary of State has control, because I want steps taken by the Government of India in order to see that further recruitment from abroad for the services is stopped.

The Honourable Sir Malcolm Hailey: I cannot demand that the Honourable Member should tell me what points he intends to raise. I merely ask as a matter of courtesy if he would inform me whether his proposition includes Indian Army officers or only others. I do not see that there would be any difficulty in mentioning it.

Mr. B. Venkatapatiraju: I was not able to catch the Honourable Sir Malcolm Hailey. I was only mentioning those services which have been employed by the Government of India. If the Army officers are to be placed on a different footing, I do not mind leaving them aside. I am only mentioning those matters in which the Government of India can join with us in asking the Secretary of State or the British Parliament to stop recruitment in England. Therefore, for the convenience of the Honourable Sir Malcolm Hailey, I will not refer to military officers. I will only refer to those branches of the service which are employed in India under the control of the Government of India.

The Honourable Sir Malcolm Hailey: The Civil Services?

Mr. B. Venkatapatiraju: Yes. I may mention, Sir, that the Railway Board in their Administration Report for 1921-22 state that in the superior posts the number of Indians was increased from 85 in 1916 to 212 in 1922. The Railways employ a staff of 6,858 Europeans, 11,831 Anglo-Indians and 735,789 Indians, in lower grades where others are not available for those salaries. The Railway Board states that no definite arrangements have so far been attempted to meet the needs of indigenous Railway recruitment. Both the Public Services Commission and the Industrial Commission recommended that there should be secured for all normal requirements properly trained Indians and that every educational facility should be offered. Why was this neglected? Is it because they think that the country need not provide such services? I am rather doubtful why the Honourable Mr. Hindley should state on the floor of this House, when he was asked about it, that the Government policy is not to interfere. I may mention that State Railways, although they are managed by Companies, are subject to the controlling authority of Government and State Railways are the property of Government, and all appointments made by the railways are subject to the confirmation of the Government of India. As long ago as 1879 the Secretary of State impressed on the Government of India the expediency of employing Indians in posts of importance. I might quote the authority of Mr. T. W. Tutwiller, the General Manager of the Tata Iron and Steel Works, who states that "Indians are very intelligent and quick to learn, more amenable to discipline than the foreigner, less costly, and work has not suffered either in quantity or quality." If we say there were difficulties in technical branches. I ask, was there any difficulty in administrative branches? Mr. Houldcroft, late Carriage and Wagon Superintendent, Bombay, Baroda and Central India Railway, expressed the same view. The Industrial Commission were forcibly struck, when visiting large Railway workshops throughout India, with the complete absence of Indians from the ranks of foremen and chargemen. What was the policy underlying the Government neglecting to secure recognition of the claims of Indians and thus economising expenditure, if they

had not adopted a step-motherly attitude? Sir Michael Sadler, than whom we cannot find a greater friend of India, and for whom the Government also has some respect, stated before the Students' Committee of Lord Lytton, with special reference to educational policy, "the bold road towards the recognition of Indian independence is the safest one which the British nation can follow in its relation with India. Under present conditions it seems more likely that this road will lead to voluntary and close alliance than to disruption. Frank acceptance of this aim would remove all animosities." He urges, therefore, that in education and therefore in what our educational ideas pre-suppose, we should be prepared to give India, if she deliberately asks for it, what we consider best for ourselves. It is proposed in my Resolution that recruiting should generally be confined to India. This does not at all mean that the privileges and rights which the persons already appointed possess have to be disturbed. Mr. Fisher admitted that this, the poorest country, has the costliest administration. The Honourable Mr. Reddi has pointed out in his budget speech of 1922 that Lord Hardinge has admitted that the Government is under an obligation to give the greatest service for the lowest possible cost. He quoted the comparative figures to show the extravagant salaries paid in India. The Prime Minister of Canada does not get more than Rs. 3,000 per mensem; other heads of departments, Ministers, Rs. 1,750 per mensem; Deputy Ministers Rs. 760 to Rs. 1,500 per mensem. In Australia the Prime Minister gets Rs. 2,625 per mensem, Ministers Rs. 2,062, Secretaries Rs. 875 to Rs. 1,875 per mensem. In New Zealand similar salaries are paid to these officials. I will not weary you with other figures, but I would ask the Honourable the Home Member to compare the salaries paid in India with the salaries paid in other parts of the world, by richer countries, by countries where there is no deficit year after year, either pre-war or post-war. In those countries I may mention for the information of the Honourable the Home Member, who already is aware of it, that the wages of unskilled labourers range from Rs. 5 to 10 a day, while our labourers get four annas to twelve annas on the average. Such being the difference between one country and another, should we be prepared to pay higher salaries, and it is plain that even these higher salaries are not enough to secure proper recruitment in other countries. Why should you not utilise indigenous talent? You may say efficiency would suffer but I doubt whether the Ministers in the Provinces and the Executive Members here are unable to discharge their duties efficiently. Is it not nobler for individuals as well as for nations to struggle towards excellence with its natural force and vitality however imperfectly than to work efficiently under expert guidance from without in all matters? Do you think artificial limbs better than natural ones? We call a people free when they have some voice in the Government, and in the appointment of recruits for the services. When India was rich, Sir, we found nation after nation came here to secure those riches by one means or another, and when India is so poor we find people are coming here from one colony or another to exploit cheap Indian labour. Should we continue this sort of administration which would bring poverty to such a pitch as to compel us to send our countrymen for a pittance of 6 annas or 8 annas a day to other lands than our own? Is my suggestion at all a really strange one? Has not the Government of India itself issued a circular called the 'O'Donnell Circular' postulating the possibility of stopping further recruitment abroad? Even if it is stopped from now, it will take 25 years more to complete Indianisation of the services. More pertinent, is it not a fact that you are afraid to part with administration on account of British Service and trade interests?

[Mr. B. Venkatapatiraju.]

If we want the British character of the administration, does it mean uprightness, just treatment and progressive amelioration of the people and has Britain the monopoly of all rare virtues?

Don't you think that if Indians have the controlling voice India would be better in more respects than one because they can enter into the feelings and spirit of the people and understand their difficulties better than is being done now? We are always told that the country is so prosperous. Is it not a fact, Sir, that if you dive deep enough into the matter, you see that there is only a thin crust of prosperity above ground covering immense layers of squalor, misery and suffering? Have you ever passed through any village in any province and noticed if they have got decent homes or clothing or even sufficient food? Are you afraid of Lord Sydenham's attack on that O'Donnell Circular, characterised by him as which I think is quite absurd, as lacking in statesmanship and discretion on the part of the Government of India in offering to employ Indians for the Indian services? Are we not grateful to the Government of India for issuing that circular? When we heard of that circular we eagerly waited to see the phase of pressing reforms to the issue of self-governing India. We have also heard of Indianisation of the Indian Army instead of the miserly concession of gradually Indiansing eight units to be completed in 26 years. It is a pity that in Parliament some gentlemen should have objected to Englishmen serving under an Indian. Is it such a strange thing? Persons who are prepared to eat the salt of India, are they not prepared to serve under Indians, and are they not doing it now? Why should there be this racial claim of superiority? We were told Lord Reading—to his lasting glory it must be said—went a step further and sent a despatch setting up a gradual scheme of appointment of Indian officers to mature in 30 years. This was published in the papers, which also reported that the Cabinet had considered and rejected it. Is it not a serious denial of the spirit of the Reforms? Sir William Vincent said very truly that without an Indian Army the Indians cannot have self-Government. Then when are we going to get self-Government if you do not do one thing or the other? When are we to expect the transfer of ultimate authority from the British Parliament to an Indian Legislature, and from the British electorate to an Indian electorate? Are we to pass our days under the certificated system of Government even with regard to the services? The Secretary of State sanctions scales of pay and allowances and appoints men as he pleases and the amount wanted will be put as non-votable items and we have to sit here wringing our hands. Is it not necessary for us, as Captain Sassoon boldly pointed out, that we should serve our country better outside than inside the Legislature and to be sure, as Mr. Lloyd George seemed to be sure, that the position of the Indian Civil Service will in future remain unchanged and their decreasing number will still remain the still frame of the whole structure of Indian Government? If the policy announced is carried out, it will spell disaster both to England and India. Are Indians so dead to all the feelings, of liberty as voluntarily to submit to be slaves for ever? I do not believe that our quondam trustees, the British Parliament and the British electorate, are so neglectful of their duty as to believe that the beneficiaries, Indians, can so easily be duped to lose their birth-right as British citizens. But we must tell our justice loving Viceroy that we prefer liberty before the easy yoke of servile pomp. When the birth-right of British citizenship is denied to us, no station, no rank, no authority, no power can safely disregard the

unmistakable declarations that have been made from time to time that we should be masters in our own homes. When we are claiming this privilege for ourselves, we are claiming it for the Government of India who have no control at all in the matter of recruitment. May I invite your attention, Sir, for a moment to the Civil Service in the Colonies? An English Civil Servant employed in a colony holds his post there at pleasure, but by practice he holds it during good behaviour. There would be a Civil Service Commission (unlike our Staff Selection Board) to hold examinations and decide the fitness of candidates for the posts. They are also to give certificates for increases of salary, for promotion and improvement of status. For instance, Canadian Civil Service Legislation includes no provision for pensioning officers but provides a superannuation fund based on contribution of 3 per cent. on the officer's salary and grant from Government. Unlike the Imperial Service it has not the compensation of a pension at its close and is not redeemed by social consideration and marks of Royal favour. In the colonies, civil servants are servants, not masters as in India. They are a comparatively poorly paid service as the salary does not exceed the wage of unskilled labourers by more than five or six times. I may mention, Sir, that the Incheape Committee say that the number in military service was increased by 3 per cent. and in civil services by 9.9 per cent. while the increase in pay and allowances is 101.3 per cent. from 20 crores to 40 crores. But the Committee point out that in 1920 when the cost of living was at its highest the rate of pay was increased by about 100 per cent. without any stipulation as in England to reduce the pay when the cost of living came down. They also speak of the reduction of travelling allowances.

Leaving alone all those cases of those who are already employed, may I not appeal to the Government of India, that they should strengthen the hands of the Assembly by carrying out our wishes that in order to reduce our expenditure it is far better wherever possible and wherever available qualified Indians should be employed in India, and only in extreme cases we must go to other places. By experts I mean persons who have specialised in any branch of knowledge. How is this necessary in India when no colony has suffered by not employing men from abroad? In America none other than an American will be employed permanently in their service and in colonies only persons born in that colony are employed. Only in exceptional cases, which are very few, others are employed. Is it because the Government do not find sufficient Indian talent or capacity to run this administrative machinery? Therefore, I earnestly appeal to the House that in order to secure contentment and happiness and to reduce the unnecessary expenditure and abolish deficits and the consequent necessity of taxing the poor, I appeal once more to recruit in India before I sit down. This is the first step in the direction of granting self-Government and if you do not take this step, I am afraid that by fixing any proportion you are postponing the grant of self-Government indefinitely, which the country cannot brook for any longer time. Therefore, I move my Resolution.

Rai Sahib Lakshmi Narayan Lal (Bihar and Orissa: Nominated Non-Official): Sir, I rise to support this Resolution very strongly. The first term of the first instalment of Swaraj is almost over, and let us see what this Swaraj means to the country. We have taxed our poor countrymen to the extent of not less than 28 crores of rupees. And notwithstanding the reductions made under the recommendations of the Retrenchment Committee we are again this year going to force a taxation of about 4 crores on

[Rai Sahib Lakshmi Narayan Lal.]

the poor man's salt. The poor masses were all along expecting in their heart of hearts that after the recommendations of the Rentreachment Committee, there shall be some relaxation in the unpopular taxes

Mr. President: The Honourable Member cannot discuss questions arising out of the Finance Bill on this Resolution.

Rai Sahib Lakshmi Narayan Lal: The financial crisis, Sir, is sure to continue in the country unless some change of policy is adopted by the Government like the one covered by the Resolution under discussion. The whole difficulty is that this poor country is being governed on a standard which is really more costly than it can afford, and unless there is some change of policy in the administration, neither the financial crisis will improve, nor will there be any money to relax the unpopular taxes or for developing the resources of the country which the Honourable the Finance Member kindly referred to in his Budget speech and for which the country is very thankful to him. But where is the money to spend for the development of the resources of the country? Where is the money to relax the unpopular taxes? Where is the money to remove the financial crisis of the country? Money is badly needed for these three purposes, and unless some change of policy is adopted by the Government, the financial crisis will continue and with it will also continue the discontent in the country which means more expenditure. Sir, I support this Resolution.

Dr. Nand Lal (West Punjab: Non-Muhammadian): Sir, if I could rightly follow the scope of this Resolution, it is this, that India will make recruitment for our services and that England may not take the trouble of making these recruitments in that country, and the reason which has been suggested in the terms of this Resolution is this, that if this policy is adopted, if this recommendation is accepted by this House, then there will be a reduction in expenditure, and India will become a rich country. Unless and until the present policy is changed and the recommendation embodied in this Resolution is accepted, India will remain as poor as she is now. The genesis of the question has been given by the Honourable Mover. He has made reference to the declarations of Queen Victoria of blessed memory, he has made reference to various other Acts which gave us certain rights; he has made reference to certain statistics which prove to the hilt that the salaries which are being given in India to Government officers and other officials are much higher than those in other countries. And this is a fact which cannot be denied, and if I can think aright, it is one of the chief causes of the present poverty of India. The machinery which is set, I mean the official machinery, is so expensive, that India cannot afford to pay such heavy salaries. I adopt some of his arguments and substantially hold with him that our present pay scale is very high. He has made reference to a number of other points which I need not repeat. But shall offer a few remarks which are pertinent to the question suggested by this Resolution, Sir, the present question, before this Assembly, so far as this Resolution goes, is not what proportion of a certain nationality, European or non-European, should be recruited; the question is that, if recruitment is to be effected with a view to bringing officers or employees for the services in India, then India herself will be the fittest country to decide, and England should not take that trouble. I think there could be no two opinions about this. Our Government of India is the best Government to see what sort of

officer is really capable of doing a particular branch of service in India. The Government of India is fully cognisant of the merits and capabilities of the people living in this country and therefore that Government, it cannot be denied, is the best suited to do this work of enlistment or recruitment. Therefore, on this ground, the Resolution deserves the general support of the whole House. The other ground is that, if enlistment or recruitment is effected in England, naturally we shall have to pay travelling allowance and oversea allowances and the people who are going to be recruited there, who are going to be employed in England, naturally will lay claim to higher salaries. I am not here to discuss the comparative merits and abilities of the candidates. I would concede at once that some of the people who come from England are really capable men, very able men, whose merits are of a very high order, no doubt, but here economically we have got to see that, if those officers themselves come to India in order to seek for appointment, then we shall not have to pay so much as they would claim when they are in their own country or their own homes. If I shall try to secure appointment, I shall make a competition. Then my employer will dictate terms. But, if the same employer makes a requisition to a province or a country that he wants so many men to have a certain administration carried on, then the candidates will demand inflated salaries. This is a question of common sense. So, therefore, India suggests to England that this method, which "I propose" and which this Resolution is proposing, will be better, will be less expensive. We shall be able to get men of equal capabilities on less salaries if recruitment is effected here in India. These men may come to India. There is no question of nationality, if I can rightly understand the terms of this Resolution under debate now.

The other ground which I find in favour of this Resolution is this, that, if some candidates are really in need of service and the posts are to be filled up, then the employer, who has got to see that those appointments are conferred on the ablest candidates, will naturally hold competitive examinations and go by merit and merit alone. And, when this policy is adopted, it will become known to every body in India and in England, and very efficient men will come here, we shall hold examinations—competitive examination will be held by the Government of India—and we shall choose the best men. So, therefore, the efficiency of the services will also be increased. These are the grounds, in brief, which I place before this Assembly. I hope this Assembly will appreciate them. I have got an amendment of a similar nature and character. It suggests some verbal changes simply. I do not agree with the phraseology of the Resolution which has been moved by my learned friend and so I propose some changes. The changes which I propose, Sir, are, as submitted above, of a very verbal character. They are

Mr. President: I propose to take the amendment of greater substance and, then, if it is not carried, we can deal with the verbal changes of the Honourable Member.

Dr. Nand Lal: Very well, Sir. With these few remarks I support this Resolution.

The Honourable Sir Malcolm Hailey: I think that most Members of this House will agree with me in regretting that this motion has come on at this moment at a time when the minds of most of us are directed to another problem of an anxious nature. It has another disadvantage. For,

[Sir Malcolm Hailey.]

at the end of a long Session, after we have discussed many other questions of the highest importance it puts before us a proposition which properly should be the subject of what we know as a full dress debate; and to-day a full-dress debate on this subject is not psychologically possible. The House is my proof; when the Honourable Member was speaking, the House was thin; as he proceeded it got thinner, and still thinner. That was not because the House was not interested in this question. It is one of the questions on which on all sides there is always the greatest interest manifested. It was because the House obviously felt that the occasion for discussion was inopportune, not only with reference to the circumstances of this Session but for another reason. In essence, this is one of the questions which must come before the Royal Commission

Mr. T. V. Seshagiri Ayyar: Would it?

The Honourable Sir Malcolm Hailey: And the Royal Commission will be obliged to form opinions bearing on the general subjects discussed to-day; representative opinions will have to be collected, weighed and examined. It is quite clear, therefore, that it is not one of those Resolutions on which there can be that free and fruitful discussion as between Government and the Assembly which can be of value to both. Take the case as it stands. How can we in these circumstances undertake to send any recommendation to the Secretary of State on the subject? All that the Secretary of State could reply, and would certainly and reasonably reply, would be that the whole field opened by the question is about to be examined by a Royal Commission, and it would be of little value, therefore, for us to make any recommendation to him on the subject now. We had of course a long debate on one aspect of this case in Simla and in Delhi. That debate dealt with Indianisation, pure and simple. The Honourable Member who proposes this Resolution now proceeds to go much further. The exact progress of Indianisation necessary or suitable in view of the administrative changes following in the wake of the reforms is yet to be settled. But the Honourable Mover is not for that; there is no half measure for him; he would thrust aside the whole question at once. He will admit of no progressive stages of Indianisation. He would admit of no advance in the proportion of Indian recruitment, gradual, speedy, or otherwise. He would at once lay down a rule that except in the case of technical services there should be no recruitment at all in Europe. He does not merely mean, as Dr. Nand Lal thought,—that the Government of India should take the recruitment into its own hands instead of allowing the recruitment to be made at Home. That is not his meaning at all. His meaning obviously is, and he expressed it in so many words, that we should cease at once to attempt any process of gradual Indianisation as defined by any progressive rule of proportion,—and that we should forthwith, barring the exception of a few technical appointments, recruit Indians purely and simply. That is a proposition which goes a great deal further than anything which was advanced in the course of our previous discussions. He admits that his proposition is drastic, and demands an entire change of policy. I am impelled to ask, what support has he behind him when he puts forward this proposition? I do not want to examine his arguments, because, his arguments hardly deserve examination; they hardly deserve indeed the name of arguments. I do him I think little injustice if I say that all he had to produce before us to-day was a series of jottings and cuttings from a common place book, strung together without system or connection.

He began by referring to the declaration of 1833. He glanced at irregular intervals at the history of our services during seventy years. He indulged us with a variety of irrelevant information regarding topics so wide apart as position of the civil servants in the colonies, and the pay of the Prime Minister of Norway. But I would stop there. I will not trouble the House with what he said; the House has been troubled enough with it already. What he did not say was more important. He never once adduced himself to the definite question whether he had behind him any considered body of opinion in demanding that all European recruitment should immediately cease. I ask him where is his support for that proposition. (*Mr. B. Venkatapatiraju*: "O'Donnell's Circular.") I have yet to learn that that circular was supposed to represent public opinion. His proposition has never received any support in this Assembly. It has not, as far as I am aware, received support from the Legislative Councils of the Provinces. I am aware that in Madras there was a proposition that the pay of the services should be reduced at once and that of European recruits re-assessed on a new basis. There was no proposition that the recruitment of Europeans should immediately cease. There was a proposition much like his put forward the other day in the Bengal Council; and it was voted down. I ask what province demands this. Begin at the North. Does the North-West Frontier Province demand it? Does the Punjab demand it? The Punjab which is at present racked with one of those recurring spasms of communal differences which we all regret so deeply in the interests of the Punjab itself. Is the United Provinces demanding it? The United Provinces where at the moment the chief topic which agitates people's minds seems to be the legitimacy of the wholesale conversion of Muhammadans back to Hinduism—is the United Provinces demanding it? I have shown the feeling in Bengal; can he quote any legitimate support from Bombay or Madras or Burma? But let me have this, and come to a second point. He has put it forward as an economic proposition. Now let me ask him what Provincial Retrenchment Committees have asked for this? I can quote him an instance to the contrary. The Bengal Retrenchment Committee which reviewed the whole range of their expenditure did not ask for it. I am therefore justified in saying that in this demand for the complete and immediate cessation of European recruitment the Honourable Member cannot quote to us the valid authority which lies behind his proposition. Let us be a little more precise in our own minds as regards the exact economic effect; I could have wished that for my own information and that of the House the Honourable Member instead of giving us a series of extracts from his commonplace book could have proved to us the exact value to our central finances of the proposal which he advocates. He talked of our immense central deficits; he did not tell us what effect he expected his proposal, if carried, would have on the position. I admit at once that if the whole of the services of India could be Indianised on a proper Indian basis of pay, and the amendment put forward by Dr. Gour is at last constructive on this point, there would be a saving in the charge of the services. But while the Mover proposes that we should immediately stop European recruitment, he does not propose to take the initial step which would secure us the financial advantage of doing so. He does not apparently propose that we should immediately place all-India services on an Indian pay. He may assume it; but if so that only gives me another point; for that is a process which must be considered and considered in detail by the Royal Commission—another reason why I say that this proposition at this moment lacks reality. But when he talks of the effect on our central finances, it is of little use to quote to us the figures of

[Sir Malcolm Hailey.]

employment of European officers throughout India. If he is to make any serious inroads on our deficit by the proposals that he has put forward, he will have to do it within the expenditure of the Central Government itself. He will find it difficult. Some of our purely central service such as Audit and Accounts, or Posts and Telegraphs, or Customs are very largely Indianised at present, he would not effect much by stopping European recruitment there; and to stop European recruitment would of course have practically no effect on the cost of our Secretariats, until the whole of the pay were reorganized on an Indian basis, and even then the saving would not be anything which would have an effect on the budget. In most of his remarks, however, he is obviously referring to our recruitment of the all-India services, which of course are paid for by the provinces. All this talk of reducing our deficits by stopping the recruitment of Europeans is really quite beside the point and to pursue the discussion on these lines would be fruitless.

Well, Sir, that is how the case stands from my point of view. I need not say that as far as I am concerned this is not a question on which one can compromise or a proposition which one can accept. I am not here going into the grounds why we maintain that a proportion, whatever that proportion may be, of Europeans is necessary in the services of this country. I am not going into the long history of what the European services have done for this country in the past. I am not going to fight again the battles which we had when the Public Services Commission reported. I am not going to fight again the contest which we waged when Mr. Jamnadas's Resolution was put forward. It seems to me that little is to be gained by doing this now. I put it to the House that discussion at this moment is of little use in view of the fact that the whole of these questions will now be gone into in an orderly manner by the Royal Commission—and when I say gone into in an orderly manner, I mean to say that they will have to take regard not only of one aspect of the question as the Honourable Member has done, but of every aspect, namely, how far the all-India Services can with profit be provincialised: how far it is possible to re-organize pay generally on a purely Indian basis: whether in doing so we should also re-organize our leave and other service conditions on an Indian basis: and what additional pay, if any,—I won't say "if any" because everybody allows that additional pay is necessary for Europeans—what additional pay, leave or pension should be given to Europeans who are brought out here either on the Honourable Member's system or on any other—those are the questions they will have to consider; and over and above all they will have to consider what proportion of Indians and Europeans will still be required in this country. That the House should now be asked to vote on a proposition which puts the whole of these questions on one side and merely assumes, assumes without proof and as far as I can make out without support, that it is advisable that from henceforth there should be no European recruitment at all except for certain technical posts—that the House should be asked to answer that proposition at present seems to me unreasonable. I say that the House would be well advised to adjourn this debate; it would be well advised to wait until the Royal Commission sits and to allow public bodies to place their views before it. But in making that proposition I wish to make it also perfectly clear that in no circumstances can Government itself accept the proposition as it now stands. I wish to move, Sir, that the debate be adjourned.

Mr. President: The question is that the debate be now adjourned.

Mr. B. Venkatapatiraju: Before it is adjourned, may I have the right of replying to Sir Malcolm Hailey?

Mr. President: The question is that the debate be now adjourned.

Mr. B. Venkatapatiraju: Sir, I am thankful to the Honourable Sir Malcolm Hailey for stating that at the fag end of the Session he does not want to deal with it as a full-dress debate

The Honourable Sir Malcolm Hailey: Sir, I stated that the House obviously did not wish to deal with it,—and if the Honourable Member wishes any proof of that, I refer to the state of the House when he was speaking.

Mr. B. Venkatapatiraju: There are some people, Sir, who bury their heads in hand and do not see anything. Does the Honourable the Leader of the House mean to say that he has convinced the people in this House or outside that there is no demand at any time? Has he not referred to the 1887 Commission, has he not referred to the 1912 Commission,—and what were the views expressed before them, what was the recommendation made by Mr. Justice Abdur Rahim?

The Honourable Sir Malcolm Hailey: Certainly not the same as yours.

Mr. B. Venkatapatiraju: At that time they had not considered whether Self-government was within the reach of the people. The recruitment question comes only when we are thinking of Self-government. The Honourable the Leader of the House gave absolutely no reply as to why during all this period of 70 years, recruitment of Indians was neglected when statesman after statesman, His Majesty after His Majesty, proclaimed and gave pledges to the people that they would be freely and impartially admitted, is there any reply from the Leader of the House on the point whether you are impartially and freely admitting the people of this country? That requires an answer,—not whether

Mr. President: The Honourable Member must address himself to the question that the debate be now adjourned.

Mr. B. Venkatapatiraju: Now the only point that was raised in favour of adjourning this debate was on account of the pending arrival of the Royal Commission which this House on more than one occasion never wanted. I ask, Sir, if the Royal Commission would consider, according to the Leader of the House, whether recruitment outside India should be stopped, if I understand from the Leader of the House that they will consider not only what services should be provincialized, whether there is any necessity for recruitment outside, and, if so, to what extent, if that point is to be considered by that Commission, Sir, I do not at all stand in the way of having the debate adjourned, because it serves no useful purpose at this time when the Royal Commission will consider those points.

Dr. H. S. Gour (Nagpur Division: Non-Muhammadan): Sir, though we are met in an atmosphere of great depression, I should like very briefly to state what advantage would be gained if we went on with the discussion of this motion and did not accede to the proposal of the Honourable the Home Member for the adjournment of the debate. The main part of his argument was that a Royal Commission on Public Services had already been appointed, and, therefore, that Commission will go into the

[Dr. H. S. Gour.]

whole question, to which my friend, Mr. Venkatapatiraju, replies that we did not want the Royal Commission. But that is no answer. A Royal Commission has been appointed, but because a Royal Commission has been appointed, therefore it is necessary that this Resolution and its amendment should be put to the vote, because when the Royal Commission comes, the Royal Commissioners will have the view of this House before them, of which they would be deprived if this debate is adjourned. Judging from the reports which come to us from the English press and in Reuter's telegrams, there is an anxiety on the part of the Home Government to send out this Royal Commission almost immediately. At any rate, Sir, even if it comes later in the autumn or early in the winter, this House will not be then sitting, and the Royal Commission, therefore, will not have the collected views of this House, and it is therefore necessary that we should decide as to what is the view of this House regarding the future of all-India services. The second point made by the Honourable the Home Member, which I take in connection with his motion for adjournment, was that this question is of such paramount importance that it requires a full-dress debate. That is perfectly true, but unfortunately we cannot put in all the Resolutions for a full-dress debate. A very large number of important questions are awaiting their fate and the fortunes of the ballot box. Consequently, I submit that when the Honourable the Home Member promises no date on which there can be a full-dress debate, we are I think justified in utilising the half day that has been given to us for discussing this very important motion. The third argument used by the Honourable the Home Member was what Provinces want, or are in sympathy with the Honourable the Mover's Resolution. Very shrewdly he omitted to mention the Central Provinces. I think Honourable Members will know the reason why. Only recently the Central Provinces Council, not by a majority, with the officials and the Civilians dissenting, but unanimously, with the concurrence of the Civilians present in the House, passed a Resolution for the stoppage of all over-seas recruitment

The Honourable Sir Malcolm Hailey: Not quite unanimously. .

Dr. H. S. Gour: There was only one Member belonging to the depressed classes, who never understood the proceedings and therefore he did not vote for the motion. With his exception, every one, official and non-official, Government Members and Non-Official Members, voted in favour of that Resolution

The Honourable Sir Malcolm Hailey: Do you really represent that all the Government Members voted in favour of it?

Dr. H. S. Gour: I ask the Honourable the Home Member to correct me. The statement I make is, with the exception of one Mahar representative, the whole House unanimously voted and supported the Resolution, and Mr. Mitchell, who spoke on behalf of the Government, supported the Resolution on the ground of economy. And it is because I am encouraged by the attitude of my own Government and the very good reasons given by the exponent of the official view, that I have tabled my own amendment, namely, that a reduced pay must be fixed for all posts in India, and as far as possible the Indian services should be Indianised subject to the limitation with which my amendment closes. I am at present speaking on the subject of adjournment, and therefore I submit, that nothing would be

gained, and this opportunity lost, and the Royal Commissioners deprived of our views as expressed in this Assembly, if we acceded to the Honourable the Home Member's request for an adjournment.

Sir Campbell Rhodes (Bengal : European): I move, Sir, that the question be put.

Mr. President: The question is that the question be put.

The motion was adopted.

Mr. President: The question is that this debate be adjourned.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 26th March, 1923.

LEGISLATIVE ASSEMBLY.

Monday, 26th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

DOUBLE STORIED QUARTERS IN RAISINA.

632. ***Maulvi Miyan Asjad-ul-lah**: 1. Is it a fact that *double storied* quarters for single clerks are under construction at Raisina behind Taylor Square in close proximity to the single storied family quarters already built for and occupied by married men.

2. Are the Government aware that the residence of single men (especially) in double storied quarters in such close proximity to (single storied) family quarters is considered objectionable by all sections of Indian clerks, the overwhelming majority of whom observe strict *parda* system.

3. If the reply to 1 and 2 above be in the affirmative, will Government please say whether they propose to stop further progress of the building of the single quarters at once? If not, why not?

Colonel Sir Sydney Crookshank: 1. Yes.

2. It is understood that the existence of single quarters in the immediate neighbourhood of family quarters is considered objectionable only in cases where the latter can be overlooked by the occupants of the former.

3. Government are informed that this is only possible in a very few cases and then only to a negligible extent, far less in fact than in the vast majority of houses in Delhi city and elsewhere. In these circumstances, Government see no reason to stop further progress in connection with the construction of the quarters in question, but steps are being taken to prevent all overlooking by increasing the height of the screen walls where it is necessary or possible to do so.

STOPPAGE OF TONGAS OUTSIDE DELHI STATION.

633. ***Maulvi Miyan Asjad-ul-lah**: 1. Is the Government aware (a) that tongas and other vehicles carrying outgoing Inter and Third Class **Passengers** are not allowed to stop in front of any gate of the Delhi Railway Station (Main) and that such passengers including respectable ladies and children have to alight on the Queen's Garden side of the road which they have to cross on foot;

(b) that this causes extreme hardship and inconvenience to the passengers;

(c) that taking advantages of the helpless position of passengers Railway porters demand and in fact extort exorbitant charges for carrying luggage to the station?

2. Will the Government state when, by whom and under what provision of the Railway or Municipal law this practice was introduced?

3. Will the Government take steps to remedy this real grievance of the passengers as soon as possible?

Mr. C. D. M. Hindley: Government have no information on the subject but inquiries are being made.

DEFICIT ON GREAT INDIAN PENINSULA RAILWAY.

634. ***Mr. K. C. Neogy:** Is it not a fact that the Great Indian Peninsula Railway has been working at a deficit for the last two years?

Mr. C. D. M. Hindley: During the last two years the net earnings of the Great Indian Peninsula Railway were not sufficient to meet the interest and annuity charges.

TRANSPORTATION SCHEME ON GREAT INDIAN PENINSULA RAILWAY.

635. ***Mr. K. C. Neogy:** (1) (a) Has the Transportation Scheme been introduced with the object of economising expenditure in the Great Indian Peninsula Railway?

(b) If so, will Government state the extent of economy up to the present and the particular classes in which reduction has been effected, i.e., the official, subordinate and menial classes?

(c) How many of official grade appointments have been abolished?

(d) How many subordinate or menial posts have been abolished, and how many Europeans, Anglo-Indians and Indians respectively have been prejudicially affected by the retrenchment?

(2) How many official (superior) appointments have been created under the Transportation Scheme and to what extent has that scheme brought about an enhancement of the salaries of each?

(3) Is it a fact that the Loco. Superintendent and General Traffic Manager of the Great Indian Peninsula Railway while being relieved of all their staff responsibility under the said scheme continue to enjoy their old rates of pay?

(4) Will Government be pleased to state the total expenditure in salaries of officers under the Transportation Scheme, as compared with their salaries previously?

(5) Will Government state the cost to the Great Indian Peninsula Railway in organising this scheme, i.e., in opening new offices, changing stationery, etc., for the different Departments?

Mr. C. D. M. Hindley: 1. (a) Yes.

1. (b) to (d) and 2 to 5. As the changes to which these questions relate have not yet been completely carried out, it is not possible to give a reply. It is however anticipated that the result when complete will be a great gain both in economy and efficiency.

Lieut.-Colonel H. A. J. Gidney: Is it a fact that not one single official's appointment has been abolished?

Mr. C. D. M. Hindley: I am not in a position to answer that question categorically. I should like to have notice of it.

RETIREMENTS ON GREAT INDIAN PENINSULA RAILWAY.

686. ***Mr. K. C. Neogy:** (a) How many of the subordinate staff over 55 years of age have been required to retire on the Great Indian Peninsula Railway?

(b) Is it a fact that a very different rule is followed in regard to officers of the same age?

Mr. C. D. M. Hindley: (a) The matter is within the discretion of the Agent and Government do not propose to call for the information asked for by the Honourable Member.

(b) Government have no information.

Lieut.-Colonel H. A. J. Gidney: Is it a fact that, although there are officers at present on the railway over the 55 years limit, not a single one of them has been retired?

Mr. C. D. M. Hindley: I did not quite understand the question. Will the Honourable Member repeat it?

Lieut.-Colonel H. A. J. Gidney: Is it a fact that the rule dispensing with the services of subordinates over 55 years of age has been put into operation, but it has not been applied in the case of officers?

Mr. C. D. M. Hindley: I cannot say whether it is a fact or not. In any case it is a matter within the discretion of Agent.

Lieut.-Colonel H. A. J. Gidney: Has the Honourable Member's attention been drawn to the Resolution passed at a mass meeting held in Bombay on the 12th instant?

Mr. C. D. M. Hindley: Yes, Sir.

Lieut.-Colonel H. A. J. Gidney: Have Government made up their minds as to what action they intend taking in this matter?

Mr. C. D. M. Hindley: Government do not propose to take any action, Sir.

TRANSFER OF A CASE FROM NORTH-WEST FRONTIER PROVINCE COURT.

687. ***Dr. Nand Lal:** (1) Is it a fact that an application from Muhammad Akbar and others for the transfer of a case from the Court of the Judicial Commissioner, North-West Frontier Province, to any High Court in India was forwarded to the Government of India for orders under Section 527, Criminal Procedure Code?

(2) Was the application of Mohammad Akbar and others placed before His Excellency the Viceroy and Governor General of India and will the Government be pleased to lay on the table the correspondence on the subject between the Judicial Commissioner, the Chief Commissioner, North-West Frontier Province, and the Government of India?

The Honourable Sir Malcolm Halley: (1) Yes.

(2) Orders issued under section 527 of the Code of Criminal Procedure are orders of the Governor General in Council. The Government of India think that no useful purpose would be served by laying on the table copies of the correspondence in question.

JUDGES IN PATNA HIGH COURT.

688. ***Mr. B. N. Misra:** (1) Is the Government aware that two Additional Judges have been appointed to the High Court of Patna?

(2) Is the Government aware that no Oriya has ever been appointed as a High Court Judge ever since the creation of the High Courts at Calcutta, Madras and Patna?

(3) Is the Government aware of the strong feeling of dissatisfaction amongst the Oriyas for the constant neglect of their claims by the several Governments of (a) Bihar and Orissa, (b) Madras, (c) Bengal and (d) the Central Provinces for high appointments, such as High Court Judgeships, Members of the Executive Councils in the several Provinces referred to above?

(4) Do the Government propose to take steps that the claims of the Oriyas are not overlooked in future?

The Honourable Sir Malcolm Hailey: (1) Yes.

(2) Government have no definite information.

(3) and (4) The Honourable Member is referred to the answer given on the 6th instant to question No. 471, asked by Khan Bahadur Saiyid Muhammad Ismail.

Dr. Nand Lal: Are the Government of India aware that some of the Local Governments sometimes slavishly depend on the recommendations of the High Courts in filling up the appointments of High Court Judges?

The Honourable Sir Malcolm Hailey: Does the Honourable Member suggest that it is the Local Governments who fill up these appointments?

Dr. Nand Lal: They slavishly depend on the recommendations of some of the High Courts in filling up the appointments without scrutiny or without examination for themselves.

The Honourable Sir Malcolm Hailey: From all that I have heard in this House I should not have thought that Government would be accused of anything unreasonable if they followed the opinions of the High Courts.

Mr. B. N. Misra: Has the attention of the Government been drawn to the representations made by the Oriya District Association and the Oriya Samaj, Ganjam, to His Excellency Lord Pentland and to His Excellency Lord Willingdon, and to the representations made by the Oriya Peoples' Association and other Associations to the Honourable Sir Charles Bayley and to the Honourable Sir E. Gait at Cuttack and Puri?

The Honourable Sir Malcolm Hailey: I think we have seen those representations.

PAY OF ACCOUNTS CLERKS, BURMA.

689. ***Mr. J. N. Basu:** 1. (a) Is the Government aware that two memorials were submitted by the Civil Accounts office clerks of Burma, in October 1922, one to the Viceroy and another to the Auditor-General, Delhi, with regard to their pay?

(b) If so, what steps have been, or are contemplated to be, taken on the grievances mentioned therein?

2. Do the Government propose to classify such clerks into Upper and Lower Divisions on the lines adopted by the Government of Burma? If not, what are the reasons?

3. (a) Do the Government of India propose to keep the pay of their own clerks below that sanctioned by the Government of Burma for their local clerks working in the same office?

(b) Do the Government intend to revise the scale of substantive pay of these clerks soon? If so, when? If not, why not?

The Honourable Sir Basil Blackett: A duplicate copy of the memorial has been received by the Government of India, but they have not yet received any recommendation from the Auditor General on the questions raised.

OFFICERS IN FEUDATORY STATES, BIHAR AND ORISSA.

640. ***Rai Bahadur Lachmi Prasad Sinha:** (a) Is it a fact that all the officers deputed on special rates of pay to Feudatory States of Bihar and Orissa are Europeans?

(b) If so, will the Government be pleased to state the reasons for keeping such appointments reserved exclusively for Europeans?

Mr. Denys Bray: (a) No, Sir.

(b) Does not arise.

Mr. K. Ahmed: How many Indian officers are deputed on special rates of pay to these Feudatory States of Bihar and Orissa who are not Europeans?

Mr. Denys Bray: I am afraid I have not got such detailed information at my finger tips. I must ask for notice of the question.

Mr. K. Ahmed: Do I take it that as the first question was answered without reasons for keeping Europeans excluding reserved for such appointments, it necessarily follows that the authority was not consulted before the answer of the (a) portion read out?

Mr. Denys Bray: I had the information at my finger tips when the answer was prepared; I have not now.

Mr. K. Ahmed: May I ask the Honourable Member to refresh his memory?

The Honourable Sir Malcolm Hailey: May I ask the Honourable Member to remember that he is not cross-examining a witness in Court?

Mr. K. Ahmed: I am sorry, Sir. I was not cross-examining but putting supplementary questions.

UNSTARRED QUESTIONS AND ANSWERS.

INDIANS AS SECRETARIES, DEPUTY SECRETARIES, ETC.

256. **Lala Girdharilal Agarwala:** Have the Government decided or do they propose to direct that henceforward Indians may in future be appointed in larger numbers than heretofore as Secretaries, Deputy Secretaries, and Under Secretaries to the different Departments?

The Honourable Sir Malcolm Hailey: Government cannot bind themselves to any ratio between European and Indian officers in these Secretariat appointments, but they intend to do their best to obtain Indian officers in increasing numbers from the provincial Secretariats.

EXEMPTION FROM ARMS ACT.

257. Lala Girdharilal Agarwala: What class of persons do the Government propose to exempt from the operation of the Arms Act for life?

The Honourable Sir Malcolm Hailey: The matter is under consideration.

THE INDIAN FINANCE BILL.

The Honourable Sir Basil Blackett (Finance Member): Sir, I beg to move:

"That the amendments made by the Council of State in the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, be taken into consideration."

This motion, Sir, raises serious issues, not all of them of a financial nature. I do not propose in the few remarks that I shall make now to deal with any but the financial question; but I do wish to draw the attention of the House to the fact that a serious financial decision has to be taken. From the financial standpoint the question before us is whether the deficit of 369 lakhs for 1923-24 is to be left uncovered or whether it is to be covered by an enhancement of the duty on salt. Sir, I wish it were possible to recapture for a moment the atmosphere of the time when the Budget was introduced and the general discussion was taking place. When I introduced the Budget on March the 1st I drew attention to the serious consequences of five years of continuous deficits and to the urgent need for balancing our Budget in 1923-24. The House from the first showed some dislike to the salt tax but I think we were unanimous in holding that somehow or other the deficit must be covered. That unanimity has been decreasing. I am afraid, since. I have seen it stated—not I think in a responsible quarter—that the Government are making a fetish of balancing the Budget. Well, Sir, the last time I heard that statement made was in defence of the absence of balance in the Austrian Budget; and I have heard that defence made for all the unbalanced Budgets in Europe. I was reading yesterday the columns of a newspaper, the editorial part of which has been thundering in truly Olympian fashion against the Government and against the salt tax; but I was not reading the editorial portion—I was reading the financial columns, and this is what the financial Editor said:

"The business community thoroughly sympathises with the Government in its effort to create a balanced Budget and the opinion is gathering strength that the opposition to the salt tax is mainly political and sentimental and that economically the duty is sound. The country's financial salvation depends on a balanced Budget and the Government's rate of borrowing in the next official year also depends a great deal on it, as a deficit Budget will again create doubt and distrust in the minds of the investing public."

Now, Sir, which is the best guide for the Government and for this House in considering a financial question—the leader writer or the financial editor? Sir, when I introduced the Budget I appealed to this House for

united action to bring to an end the era of deficits and to put India back into the position which she has normally enjoyed of having a balanced Budget. The need for a balanced Budget is not less but more since that day, simply because we have expressed our determination to balance the Budget and expressed our conviction that it is necessary. If we fail to do so now we are failing to live up to our convictions. That cannot but have a detrimental effect. Sir, I venture to appeal once again for united action. I lay stress on united action. Some, at any rate, of the advantages of a balanced Budget will not be secured if our action is not united, and all the satisfaction and pleasure that this House and the Government could feel in balancing the Budget will be lost if the effort is not united.

The motion was adopted.

Mr. President: Amendment made by the Council of State:

"In sub-clause (1) of clause 2 of the Bill, after the words 'construed as if' the words 'with effect from the 1st day of March, 1923' were inserted, and for the words 'one rupee and four annas' the words 'two rupees and eight annas' were substituted."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

Mr. Jamnadas Dwarkadas (Bombay City:Non-Muhammadan Urban):

Sir, I rise to oppose the amendment made by the Council of State in the Finance Bill. The amendment, if carried, would restore the original proposal made by the Government in introducing the Budget of enhancing the salt duty that is levied in this country to the extent of Rs. 1-4. As you are aware, Sir, this House by an overwhelming majority while discussing the Finance Bill voted against this increase and carried by a large majority the amendment moved by my Honourable friend, Mr. Rangachariar, that the duty should remain at its original level. Subsequently, the Bill went to the Upper House (*Rao Bahadur T. Rangachariar*: "The other House"), to the other House, I am sorry, and it went with a recommendation from His Excellency the Governor General. The other House, as was expected of it, without meaning any disrespect to the personnel of it, has supported the proposal made by Government. I want to tell Government very frankly that the Government would be making a great mistake if it took it for granted that the opinion expressed by the other House is the view that is held by the majority of my countrymen. I repeated that I have to say nothing personal against the Honourable Members of the Council of State; they are men of wealth, they are men possessing large estates, men who are rich and prosperous . . .

Mr. President: I think the Honourable Member had better leave the other House alone.

Mr. Jamnadas Dwarkadas: I shall bow to your ruling, Sir. But I can assure you that I have no intention to run down the Members of that House. All that I meant to point out was that the Government would be making a sad mistake if, relying on the opinion of the other House, they took it for granted that the opinion expressed there was the opinion of the country and allowed themselves to persist in putting forward their proposal for the enhancement of the salt duty. Well, Sir, this House had rejected it when the Bill was being discussed before and I am sure that even those Honourable Members who were on that occasion neutral or who voted in favour of the Government proposal will, if for nothing else, for the purpose of maintaining the dignity and self-respect of this House as the only representative of public opinion, will

[Mr. Jamnadas Dwarkadas.]

reconsider their decision and vote against the enhancement of the salt tax. My Honourable friend Sir Basil Blackett in moving the consideration of the Finance Bill has laid stress on the financial necessity of passing this enhancement. My Honourable friend has taken the safe course of avoiding altogether a reference to the political consequences of passing a measure of this character. But surely my Honourable friend cannot but be aware that you cannot divide the financial aspect and the political aspect and the other aspects of the question into water-tight compartments. Each aspect has a bearing on the other and if for the sheer necessity of satisfying your financial point of view you are going against the expressed wishes of the country to enhance the duty on salt, the political situation that is likely to arise then is sure to bear considerably on the financial aspect. All the financial considerations and calculations made by the Honourable Finance Member and the Government are likely to be upset by the political consequences that will accrue as a result of your obstinacy. Let me make myself clear. You are keen on balancing the budget. For the purpose of covering a deficit of 369 lakhs you want to force down the unwilling throat of this country an enhanced duty of Rs. 2-8 on salt. The result of it will be that you will have political disturbances. In the past you had measures carried in the teeth of the opposition of the people, when you had a majority in the old Imperial Legislative Council. The political consequences were such as threw the whole country into a state of chaos, from which this Assembly has helped you gradually to emerge; but even those measures did not affect every human being that lives in this country. So far as the enhancement of the salt tax is concerned, I repeat what I have frequently said in this House, that in the shape of this enhanced salt duty you are sending to every village home in India a messenger of revolution; every home, every person in this country is likely to be affected; every one who is already bitter against the Government or even those who are not yet embittered against Government will have reason to believe that in spite of the expressed opinion of all our countrymen, the Government, in spite of the opposition of the majority of this popular House, have persisted in forcing down the unwilling throat of the country an enhanced salt duty. What will be the result? There will be political disturbances everywhere. And is it not the experience, has it not been the experience of the Government, I ask, that whenever there are political disturbances in the country, they affect trade, they affect the prosperity of the country, they affect the ordinary avocations of the people in the country, and the result is that all your estimates with regard to revenue are frustrated? You will get much less revenue than you expect in this budget. So that, even from the financial point of view you are keen on balancing the budget by covering this small deficit of 369 lakhs, although that may seem to be a gain on paper it will never be in reality a balanced budget because you are likely to lose far more than 369 lakhs by the situation that will come into existence as the result of your obstinacy. I hope Government even at this late stage will be guided by wisdom, by the experience that they have had in the past. Many people in this country had no faith in the reforms, especially because of the extraordinary powers that are vested in the Governor General. We were loath to believe that these extraordinary powers would ever be used on an occasion like this, for ordinary purposes, when there cannot be the slightest justification for the Governor General to use his extraordinary powers. We shall have to hang down our heads in shame when we go to our countrymen and tell

them that in spite of the promises that we had made, that we were going to use all the powers that were vested in us by means of the Reforms, in spite of the fact that we had claimed that our powers were very wide and that the extraordinary powers would remain on paper and never be brought into use by the Governor General, we have now come to you with an admission that extraordinary powers are being used for ordinary purposes, on occasions on which no sane Government, let me say, could think of using extraordinary powers. We have to admit to them, whether we like it or not, that there is hollowness in the reforms given to us and that we should all agitate, by all means constitutionally, but agitate violently in order to secure full self-Government at the earliest date possible in this country. (Hear, hear.) Sir, I do not want to pursue the point. I do not know whether the Government is alive to the danger of forcing this measure on the country. I am not blind to the difficulties with which the Government is faced. I realise that on the top of the retrenchment that the Government have undoubtedly effected, it would be rather hard if they did not balance the budget, but the question does remain, are you likely to balance the Budget or are you merely going to secure the balance of the budget on the paper? On the one hand, you have the whole of this country standing like one man opposing the enhancement of the salt duty. You say that you must balance the budget and therefore you must have the salt tax. The country says 'No'. We recognise the need of balancing the budget, but we refuse to allow you even to balance the budget by the enhancement of the salt tax which will bring about a very difficult situation both for you and for us.

Mr. S. O. Shahani (Sind Jagirdars and Zamindars: Landholders): Who is right?

Mr. Jamnadas Dwarkadas: Who is right? On the other hand, you have pressure exercised on you from Whitehall that the budget must be balanced. You have also the opinion of the whole country against the enhancement of the salt tax. If you do not accept the opinion from Whitehall you will not be able to secure the balancing of the budget. As I said, from a financial point of view, you may flatter yourselves that you have secured the balancing of the budget on paper, but you are not going in reality to secure the balancing of the budget. You have Whitehall pressing you to balance the Budget. . . .

The Honourable Sir Malcolm Hailey (Home Member): Is the Honourable Member speaking by the book when he says that?

Mr. Jamnadas Dwarkadas: I should be very glad if my Honourable friend is in a position to contradict what I am saying. But that is the general impression not only in this House but throughout the country? Well, Sir, if the Honourable the Home Member does not like me to refer to Whitehall, I shall not refer to it, but there is the public opinion in England, in Great Britain, on which our credit unfortunately depends. It is said that public opinion there demands the balancing of the Budget. We know what public opinion in England about India is; it is confined to the four corners of Whitehall. Well, you have here a choice. You have the whole people asking you not to enhance the salt duty; on the other hand, you have a few,—and after all, many are not interested in Indian problems in England,—you have a few asking you to balance the budget. You know that you cannot secure the real balancing except on paper. The Assembly which has stood by you at most critical moments in the history of this country has also expressed its opinion that you should not enhance the salt duty. You have a

[Mr. Jamnadas Dwarkadas.]

choice. You may yield to the wishes of the Assembly, you may respect the wishes of the Assembly, and you will respect public opinion in this country. You will evade the trouble that threatens again to place this country in a state of disorder. You will secure permanently the friendship of the Members of this Assembly who have stood by you at most critical moments in the history of this country. If ingratitude is not one of your weakness, I say that it is necessary that at this most critical moment, that you should stand by this Assembly, in spite of your pet theories. You will be respecting the wishes of the country as expressed in this Assembly. There is a choice before you. You may respect the opinion of this country and avoid all trouble and prove once and for all that you are going to respect the constitution, that you stand for reforms, that you stand for progress, nay that you respect the statement made by the late Viceroy Lord Chelmsford here that autocracy is for all time abandoned. Further, you will respect the message sent through His Royal Highness the Duke of Connaught to us by His Majesty the King Emperor himself that these reforms will establish the beginnings of Swaraj.

Mr. President: I cannot allow the Honourable Member to bring in the name of the Crown in this debate.

Mr. Jamnadas Dwarkadas: I bow to your ruling, Sir. You will respect all the statements that statesmen and high personages at most critical moments have made, statements which have gone a great way in soothing the feelings of this country. You can prove them. There is an opportunity for you to prove that you stand by the progress of this country, that you do not believe in autocracy any longer, and that you want to lead this country to the goal of responsible Government; while by not respecting the wishes of this Assembly by flouting public opinion on an occasion like this, not only will you be undoing every good that the reformed Legislatures have undoubtedly done, but you will be sowing seeds of suspicion in this country which will bring into existence again a great political movement, creating disturbances, disorder and chaos everywhere in the country. It is neither good for you nor for us. Exercise your imagination. I am sorry, Sir, that in this country we have had the sad experience that the powers that be have never exercised their sense of imagination. We thought that the reformed Councils and the presence of our own countrymen in the Executive Councils were going to supply what you lacked. But it seems to me that if this demand to enhance the salt tax is persisted in, all these difficulties and all the sad experience that you had in the past and the altered circumstances after the introduction of the Reforms have been lost on you altogether. The moment the movement that used to disturb the country is on the wane, you come forward again with your might to overrule the majority in this House and force on us a measure which this country like one man detests. You will be responsible for the consequences. As friends of the Government, as friends of this country and its relations with Great Britain, as persons who have stood by you in the midst of slanders, in the midst of calumny, in the midst of opposition of all kinds from our countrymen, we appeal to you not to have recourse to a measure like this. I hope, Sir, my appeal will not fall on deaf ears.

Sir Campbell Rhodes (Bengal: European): Sir, I think, I shall voice the opinions of all in this House when I say how much I regret the constitutional episode which has unfortunately arisen over this salt tax. It has

arisen, and while on the one hand I feel that there is nothing to be lost by candour, on the other there is nothing to be gained by heat. (*Rao Bahadur T Rangachariar*: "Don't produce it.") I will do my best, Sir, not to do so, and I don't think my reputation in this House has been such as to justify the suggestion. I am very willing, Sir, to grant to the Members on my right credit for their honesty of view. They hold these views—political views admittedly—they hold them very strongly. Personally, if I saw any chance of a compromise, which I do not, I would have sacrificed some of the views which I hold very strongly on the other side in order to meet them half-way. But I fear that that is hopeless. But Sir, I do ask them in turn to give us credit for honesty in the views we hold. In speaking about the salt tax and its pressure on the poor, it must be remembered that none of us are speaking for our constituents. (*Sir Deva Prasad Sarvadhikary*: "Nor are we.") The poor that will be affected have no voting power and, therefore, we can only find their views out by inquiry. I have spent some little time in making these inquiries from the man in the street. They tell me that salt has risen slightly during the last two months—they are not quite certain when—but during the last two months it has risen. I asked them the reason for the rise, the answer I got was that they supposed the dealer is trying to make a little extra profit. Well, I said, why don't you kick up a row? The answer I got was: It is such a small item in our expenditure; why should we? People talk about the deficit as if it was a paper transaction. I mentioned in my previous speech on this occasion that I regard the deficit as another method of putting a burden on the poor. I referred to the evils of inflation which means that a rupee buys less than previously. The Honourable the Finance Member has referred to the permanent impost, a deficit will make on the new loan which we hear from telegrams from Home will be shortly floated. The rate of interest, and the price at which that loan can be issued depend largely, I desire to warn Members, on their action to-day. Now, Sir, both sides—and I stand in a position here from which I can observe both sides—have not put any alternative proposition to the salt tax which has found general acceptance either on the one side or the other. Why is that? Not, I submit, because there has been no desire to effect a compromise. Not, I submit, because we have not the ingenuity to suggest an alternative. But simply because no alternative exists. (*An Honourable Member*: "Retrench.") Year after year, the salt tax has been proposed and defeated. We have retrenched, we have put up, before we put up for the salt tax, all other taxes to the point at which to raise them further would mean less revenue. And, when finally we come to salt, obviously because it is final, there can be no alternative. It has been suggested that this salt tax is in the nature of poll tax collected in its simplest form. I see no objection at all myself to that definition. It has been suggested that it presses equally on the rich and the poor. It is not intended at all to press on the rich. It is very much in the nature of poll tax levied on every inhabitant of the country, and as regards the rich, as we all know other forms of taxation are resorted to and I have it on the authority of my friends on the right from Bombay, that some of these taxes have reached the limit. If Members like to have something to think about during a very well earned recess, which will shortly ensue, I suggest they might seriously consider the question whether low taxation and a low standard of living do not go together and whether perhaps they have not been an evil rather than a good to the country. Well, Sir, we have found it impossible to reconcile the two positions, both honestly held, both held with great conviction, and we have, therefore, what has been called a crisis. My Honourable friend,

[Sir Campbell Rhodes.]

Mr. Jamnadas seemed to me to hint that, if the salt tax was passed, he was prepared to lead the country in revolution. (*Mr. Jamnadas Dwarkadas*: "I never said so.") He did not say so, Sir, and, I expected his denial, but I beg to inform Members that this salt tax has now been in existence for a month and, if this revolution is to start, it will only start because it is started, not by people who are already and who have during the last four weeks been paying more for their salt. Well, Sir, let us admit the crisis. But let us also admit that crises are normal to a democratic Government and this must now be faced. We are all here, Sir, pledged to work the constitution as we find it—and I think I should be the last man to stand up as an advocate of this constitution—but we are all here pledged to work it. I would like to draw Honourable Members' attention, in the Manual of Business and Procedure, to clause 62-A:

"Subject to the provisions of the Act, the Indian Legislature consists of the Governor General and two Chambers, namely, the Council of State and the Legislative Assembly."

The Governor General is as much under the constitution as we are. (*An Honourable Member*: "Very much above it.") He cannot alter it. He is bound by its rules as much as we are. Mr. Jamnadas said that it was his duty to do all in his power under the constitution to resist this tax. I agree with him if he feels that the tax is a wrong one; but I think he must give to others the same measure of justice as he demands for himself. If the Government had not proposed an amendment in the Council of State to put the tax up to Rs. 2-8-0, they would have deprived our fellow legislators in that House an opportunity which we had, of discussing whether it should be Rs. 1-4-0 or Rs. 2-8-0. They gave them that opportunity and the Council decided in favour of Rs. 2-8-0, by a non-official majority. Had the Governor General not recommended this Bill a very much more difficult position would have arisen. Now, that we have disagreement between the two Houses, according to the ordinary Bill procedure we should have to wait six months for a Joint Sitting and, therefore, no tax, neither income-tax, the enhancement of customs duties, nor the salt tax, could have been collected, during that time. Personally and speaking entirely from my own point of view, I should have no objection. Therefore, we should have to wait for a Joint Sitting, which according to the adding of the two votes together, would have resulted in 72 votes to 62, I think, in favour of Rs. 2-8-0. To-day, I do not know, Sir, quite what we are discussing, whether we are discussing the salt tax or the constitutional issue. But I think it would be a convenience if we were to refer to it as a salted red-herring. Sir, I have mentioned that I personally would have gone half way. Last year, it will be remembered, I hope, to my credit, that I supported my friends on the right in a constitutional crisis on the subject of cotton. I took rather a definite line there, because the crisis, to my mind, was a much more serious one. That duty was open to implications—unjust implications possibly, but not unnatural implications—to which this duty is not open in spite of what Mr. Jamnadas Dwarkadas has said. There is none to gain or to lose by what we are doing to-day, but India herself. Of that there can be no question, and every man's vote, I hope, will be cast whether in the one lobby or the other to-day in the interests of India. It is, I maintain, Sir, the duty of every man to exercise his responsibility. This House must not claim a monopoly of responsibility. His Excellency the Governor General has his responsibilities and the

Council of State have theirs, and if we are to defend our rights, as I shall always be the first to do, we must admit that there are rights to others, and I think we must fairly abide by the constitution which we are endeavouring to work.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, I shall not speak for more than a few minutes on this question, because, as was pointed out, the situation is a grave one and the fewer the words spoken, the better would it be for all of us. There is also one other consideration that weighs with me and that is this. I do not think that anything that I say this morning is going to convert any Member of the Government Benches, and therefore, there is not much use in speaking largely upon a question of this nature. Sir, ever since I took to politics, I have been taught that it is a sin to consent to the increase of the duty on salt. Great men who have gone before us—I would not repeat their names—have said that if we consented to an increase in the salt duty, we would be betraying the interests of the people. Sir Campbell Rhodes has just now told us that the persons who are most affected are not the persons who have votes. That is the very reason why we, who are representing the people, should do our very best that those men who have no voice, who have no votes, are saved from the tragedy which the Government is bringing upon their heads. Sir, in some other place it has been said that the battle cry of old is gone, the battle cry of the Congress is gone, and a new cry must take its place. With all respect, may I say that that cry can never go, that so long as we continue to represent the people, so long as this House claims to be a representative Assembly, that battle cry of saving the poor can never go. Other cries may be added, but the cry against salt will remain for all time to come. Sir, one other matter was mentioned in the other House and it is this. Whatever may have been the want of justification for imposing an additional duty on salt in the old days, the same want of justification does not exist to-day, because the purchasing power of the rupee is more now than it was in the old days. Sir, those that put forward this reasoning forget that almost all the articles of necessity have gone up in price. If you take the index figure of 1914 and compare it with what it is to-day, you will find that the price of almost every food-grain, of almost every necessity of life, has gone up more than 100 per cent.

Mr. R. A. Spence (Bombay: European): Why has it gone up?

Mr. T. V. Seshagiri Ayyar: And the result to-day is that you will not be able to purchase for a rupee the same quantity of things which you could have purchased some years ago. There is no doubt about it. My friend asks "Why has it gone up?" The answer to it is because Government has been piling taxes upon taxes. That is the answer to that.

The Honourable Sir Basil Blackett: It is due to the deficits.

Mr. T. V. Seshagiri Ayyar: Rs. 60 crores of deficit has certainly added to the increase in the prices.

Sir, let us look at the situation now. What is the situation? The Government never came to us with any alternative proposals. They never asked us to discuss any other form of taxation. They told us at one time that there is no unanimity as regards any other form of taxation. Do the Government really believe, and seriously believe, that in any civilised country, any Legislature, would unanimously consent to any new taxation? Can you expect that there will be no objection to a taxation? There

[Mr. T. V. Seshagiri Ayyar.]

will be objection, as my friend puts it, from interested quarters. Rather than face those objections, what have you done? You are now going against the entire and unanimous wish of the people of this country. You do not want to offend classes, sects and communities. But you have no compunction in setting your face against the unanimous wish of the people of this country. Is that the proper way for any Government to act? I say that you have chosen the wrong way of meeting the deficit, if you want to cover the deficit. Sir, a grave political situation has been created, and if it is said at the end, that the Reforms have not worked successfully, the fault, the sin for that would lie upon the heads of the Government and not upon the people. As Mr. Jinnadas Dwarkadas has pointed out, we have done our best to help you when you had heavy deficits. We have always come to your rescue by imposing fresh taxation. But in the case of taxing the poor, in the case of imposing a duty on salt, it is impossible for us to come to your rescue and if you find that this tax makes the Government very unpopular and makes the working of the reforms almost impossible, the fault for creating such a situation will be entirely yours and not ours. Sir, by again bringing this Bill with a recommendation, the Government have raised some new issues, issues which are going to divide the country very seriously, issues as regards the powers of revision which is possessed by another House, issues as regards the safety of the constitution as against the executive will of the Government, issues which would go to show that the Reforms do not contain sufficient safeguards to enable the people to express their sentiments and their views. These are very important issues which must necessarily arise because Government have chosen to take this extraordinary step of recommending that the Bill be passed into law. We have to do our duty. In the face of the determination which the Government have shown, there is only one thing that we can do. We must show consistency, courage and dignity. If we do not show consistency and courage, we will be betraying the trust that people have reposed in us.

Sir Montagu Webb (Bombay: European): Sir, I rise to oppose this amendment made by the Council of State in our Finance Bill which has come back to us with a "recommendation" from the Governor General. I do so, Sir, with a very heavy heart, because I can see and understand many of the difficulties which Government have to deal with. I recognise, too, the consideration ordinarily shown by Government to the opinions expressed by this House; and I do appreciate the magnificent work done by Government for the great benefit and advantage of this country. But on this occasion, Sir, in connection with this Finance Bill, some strange Nemesis seems to have intervened, with the result that we now find ourselves face to face with a situation so complicated, so fraught with danger to the continued successful development of the Reform Scheme that I feel it my duty to do all I can to put matters right before it is too late.

First of all, Sir, I want to recall just for a moment what this House has done in the past in matters of finance. When we first met here two years ago we were told by Lord Chelmsford, the late Viceroy, that the Government of India Act had "closed one era and opened another." His Royal Highness the Duke of Connaught brought us a message of hope and inspiration from the King Emperor, and the Honourable the Finance Member himself said that in this new period this House would

have to take upon itself the financial responsibility of carrying on the affairs of this country. Now, Sir, these were not mere words. The financial responsibilities were very real, for in the year that was just ending, we found ourselves with a deficit of nearly eight millions sterling. In the new budget which the Honourable the Finance Member then presented to this House we found ourselves face to face with a deficit of nearly eighteen million sterling, taking exchange at 1s. 4d. Now, what did this House do? This House courageously faced the situation and voted large increases of taxation in all directions. They put up the Customs duties, they put up the taxes on income, they assented to increases in the Railway Fares, and increases on Postage, in the hope of getting matters straight,—a truly fine record, I submit, for a young democratic Assembly. That was the first year.

Now, take the last year. When we came back to this House twelve months later we found that the anticipated deficit of eighteen millions, notwithstanding all these increases of taxation had become twenty-two millions sterling. Not only that, we were once more faced with a further anticipated deficit for 1922-23 of over twenty millions sterling; and once more this House was asked to assent again to an all round further increase of taxation. The House again most courageously faced the situation and once more voted all round increases in Customs duties, increases in Railway Fares, increases in Postal and Telegraph rates, and an advance in Taxes on Income; but they said in effect—"We will not vote any increase in Salt Duty because we think it is the duty of Government to effect retrenchment." Now, once again, I ask you, Sir,—could any young popular Assembly in the world (*Rao Bahadur T. Rangachariar*: "Except a submissive one.") have taken a wiser and a more statesmanlike course?

Government recognised the wisdom of this advice. They did not attempt to increase or double the Salt Duty. They went to the other House and said "We will accept the recommendation of the Assembly and we will endeavour to retrench."

Now, what followed? On the strength of a Resolution passed by this House I think in last June or July, a Retrenchment Committee was appointed including six of the finest business brains available, eastern and western. That Committee got to work as soon as possible. So successfully did Lord Inchcape and his colleagues swing their axe that in the course of a few weeks they succeeded in recommending retrenchments to the extent of thirteen millions sterling. That, Sir, was only I think three weeks ago. Very naturally, the Government found it extremely difficult, if not impossible, to put all these retrenchments into operation at once. But I must say that Government met the situation with the greatest vigour, with the greatest loyalty to the desires of this Assembly, and they made beyond doubt every possible retrenchment that they thought could be done. And with what result? Could the whole of the Inchcape Committee's recommendations have been carried out next year, there would be no deficit at all and all our difficulties would have vanished. But unfortunately, it being a practical impossibility to carry out the whole of these retrenchments in one year, Government had to postpone about two or three millions of them till the next year.—1924; and it is this very sum of two or three millions which they have not been able to retrench in the coming year that produces the deficit about which we have all been talking a purely temporary deficit. (*A Voice*: "No.") I put it to you that that deficit is an office-made deficit, and that that

[Sir Montagu Webb.]

deficit need not have appeared at all if the Honourable the Finance Member had so desired. Assume, for example, that the Honourable the Finance Member had been of a little more optimistic turn of mind and had cared to increase his estimates of receipts from Railways, from Posts and Telegraphs and from Income-Tax (as he might very well have done, for we have got this cold weather the finest crops that India has almost ever had)—had he taken that course, well, things might have been very different. Had he even debited some of our expenditure on roads and buildings on the North-West Frontier, had he spread that over two or three years instead of putting the whole of them into current revenue (as he might well have done for we have paid for a whole war out of current revenues), the situation would have been very different. Had he assented to the proposals made to him for additional taxation, say on silver, or a temporary surtax on Customs, he could with the greatest ease have, by an enormous majority, carried them through this House, and the deficit would have disappeared. But he elected to do otherwise. Finally, if he had appropriated a sum of three or four millions from that over-swollen, inoperative Gold Standard Reserve from which he is already taking on a million,—if only he had taken another 2 or 3 millions, there would have been no deficit. I ask this House if I am wrong in asserting that this deficit is simply an office-made deficit and that it has only appeared at the will of the Finance Member. And, Sir, it is with the object of covering this relatively small and merely temporary deficit of under two and a half millions, that he proposes now to raise four millions sterling by doubling the salt tax.—I say four millions sterling because the salt tax, if doubled, will surely yield six crores of rupees.

Now, Sir, I say unhesitatingly, and with all the emphasis at my command, that the doubling of the salt tax at the present moment is unnecessary financially, and is provocative politically. I have already shown, I think, that it is a mere product of the office of the Finance Department. I go further, and I would urge that rather than raise the political ferment which will be caused by the imposition of a doubled salt tax I would prefer to allow these two millions to dissolve themselves in the coming retrenchments. It may be said in some official directions 'Oh, this would spoil our credit.' Well, Sir, I deal in credit myself. I unhesitatingly deny that assertion. Speaking for myself, (and I can claim special knowledge as a practical merchant and financier, as a railway manager and ship manager), I say most unhesitatingly that India's credit at the present day is first class. Throughout the period that this country has been suffering from the most appalling series of deficits on record, we have succeeded in raising the greatest loans ever known in the history of India. Does that indicate loss of credit? And now, we are told, Sir, when India's financial and political difficulties are practically over, when we are enjoying a period of splendid crops,—now, at this moment when we are dealing with a more or less artificial and temporary deficit we are told that if we leave this small deficit to be wiped out by the retrenchments ahead, our credit will suffer. I say unhesitatingly that those who nurse this belief, are hugging a delusion.

At the present moment the position of this country is economically as strong as if not stronger than that of any other part of the British Empire. It is certainly economically stronger than that of any other country outside the British Empire in Europe, Asia or America. I go further and I say that we are in a position of quite exceptional strength. We are

one of the few countries in the world who in spite of our enormous population, can feed ourselves without the slightest difficulty, who can produce enormous surpluses of valuable commodities for sale to the rest of the world; and given only a period of political tranquillity in which the peace-loving and industrial millions of this country can get to work on their economic and social development, I say, Sir, that the credit of this country and the future of India are as assured and as sound as those of any country in the world.

Now, Sir, I used the words "given only a period of political tranquillity." It is to avoid all hazard of any disturbance of this period of political tranquillity that I am opposing the doubling of the Salt Duty. Sir, the life of this Assembly is now drawing to a close, and there must of necessity be during this year a certain amount of ferment,—of bubbling up of political activity in connection with the forthcoming General Elections. I ask—Is this the moment, when Members of this House will be seeking re-election, is this a moment when we should discredit them, when we should disarm them, when we should antagonise them just as they are going back to explain to their constituents the success of the work of this Assembly? Is this the moment to multiply noxious political activities by throwing into the political arena so dangerous a fire-work as a doubled Salt Duty? Is this the moment to place a weapon in the hands of ignorant and malicious people who have been persistently hostile to this Government, and who have throughout represented that this Assembly is a mere make-believe, a mere "Mock Parliament" to whose views an irresponsible and autocratic Government pay little or no heed?

Sir, I have finished. I only want to read to this House two small extracts from the records of our proceedings,—one, Sir, by His Royal Highness the Duke of Connaught when opening this Assembly. He said:

- "The principle of autocracy has all been abandoned. Its retention would have been incompatible with that contentment which had been declared by Her late Majesty Queen Victoria to be the aim of British Rule. It would have been inconsistent with the legitimate demands and aspirations of the Indian people and (*listen to this, Sir*) it would have been inconsistent with that stage of political development which they have now attained."

Now, Sir, listen to the second extract—the words of the Honourable the Home Member spoken a few days later. He was introducing the first Budget to this House on the 1st March 1921.. He was explaining what a great change had come over the country, and that in future instead of a Finance Member having it all his own way and shouldering all the financial difficulties himself, this House would have to take their share. He then said (this was the Honourable Sir Malcolm Hailey):

- "For the future this House will have to share that (financial) responsibility. If we incur expenditure, it will be under your mandate. If we impose taxation, it will be by your vote."

What is the position now? We are being asked to assent to unnecessary taxation,—unnecessary financially, provocative politically—and against the wishes of this House. What for? To fill a relatively paltry, temporary deficit of two millions which will automatically disappear a year later. Sir, when Herod promised the dancing girl anything that she might ask, and when that irresponsible young creature demanded the head of John the Baptist, Herod at once acceded to her request. Now, Sir, how different things might have been,—how different history might have

[Sir Montagu Webb.]

been written if Herod had only reconsidered his promise. Now, I implore my Honourable friends of the Government Benches to reconsider this matter. No matter what promises they may have made,—no matter what policy they may have decided on,—I appeal to them to reconsider this matter at this stage, because I feel sure that if a little further consideration be given to the situation, wiser counsels will prevail. I cannot believe that the House of Commons, the "Mother of Parliaments," who has stood throughout the ages for the right of the people to control the public purse, I cannot believe that the Mother of Parliaments will cut the throat of its youngest and most promising offspring merely because it refuses to assent to financial legislation the demand for which rests on no solid and proper foundation.

Mr. Ashraf O. Jamal (Bengal: Nominated Non-Official): After the eloquent and admirable speech of my Honourable friend Sir Montagu Webb, I am afraid I will not be able to speak so well. We have talked about salt for many days and perhaps I stand to-day to address a House that is tired of talking salt. But I wish to make my position clear. I have voted already twice against this duty and I am afraid my Honourable friend the Finance Member will again not find me in the same lobby as himself to-day, not because I think that the salt duty will be a messenger of revolution, and I cannot think that it will be unbearable to the people, but I do maintain that it will be very unpopular, that it will not be liked, and above all that it is not necessary. Several of my Honourable friends here have asked the Finance Member as regards his methods of Book-keeping, with reference to charges made to revenue and capital. If I may be allowed to say, Sir Dinshaw Wacha the other day in the Upper House said that he wanted to know how this was done. He challenged the Finance Member, if I understood him right, to prove his contention. To all these demands there has been no satisfactory explanation coming forward. Therefore, Sir, I do maintain that there is no deficit, I do not think that the tax is necessary and I cannot conceive why we should be asked to give a present to posterity, why should we to-day be taxed for the benefit of our successors who will come in our place. I do admire the way in which Sir Montagu Webb has put the whole matter. I do think that the tax if levied will have some effect on the political aspect of India, and I do not agree that this amendment should be accepted.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): Sir, I am glad that tension in the House has to a certain extent been relieved by our resourceful friend behind. And we recognise the soundness of some of the position indicated by Sir Campbell Rhodes. Every one has rights to his own convictions and ought to act up to them. In those circumstances I wish the suggestion made by some of our friends that we should avoid if possible speaking at all to-day, but proceed to the business of the day in a business-like fashion was acceptable. Since, however, that is not to be so, I think the position of people taking a different line has to be made quite clear. The Honourable the Finance Member has not taken pains to clear up matters; probably because he will do so later or his Colleagues who speak later on will be left to deal with what he has left unsaid. He has contented himself purely with the financial aspect of the question, as is no doubt his place to do; but there are other questions, bigger vital questions. We have been often told that it is the fear of facing our constituencies at the next election that is guiding the action of many of us.

Possibly it is so, possibly it is not. Constituencies in the broader sense are powerful, they can be if they want to be; they are not yet as powerful in some places as in others. There is a Madras constituency, for example, which sent a Member to the House, whose place we see vacant for the last few days; ever since he had the hardihood to propose a surcharge on customs and on the income-tax, his place knows him not.

Mr. R. A. Spence: Sir, his constituency did not censure him; the European Association were not his electors.

Rao Bahadur T. Rangachariar: I may also mention that Sir Gordon Fraser left on business. He would be the last man to have deserted his post.

Sir Deva Prasad Sarvadhikary: I am sincerely glad to have that correction, because that has been the impression abroad. Yet constituencies can make themselves felt and I hope they will do so in the case of every one who goes back from this House after having voted for increase in the salt tax, for they will have forfeited their right to come back, judged from the popular point of view. Apart from that, Sir, as I explained on a previous occasion, this question has practically nothing to do with the limited constituencies, because those who form them have to pay a considerable tax, judged by the standard of the resources of those who will have to pay the most if this increased taxation is agreed to. Therefore, that question does not arise. It is because it is distasteful to the people from the lowest to the highest, not even excluding those in the Upper House at least in some cases, that the representatives of the people have felt it their duty to oppose it strongly and I hope they will persist in their objection and see it prevail.

Coming to the practical side of the question, we have had our say, the Government have had their say. The story about a paltry increase of 2 annas per head and 12 annas per family a year is absolutely exploded, judged by the standard and method of living, judged by the standard of the income of the people who are most affected. That does not hold the board at all; but we have another diehard untruth. What are the facts of the case? Last year, there was solid opposition to increased salt tax, the same this year, at least I hope the result of the voting will prove that. Last year the deficit was much heavier and much more real, this year it is much less, and business men in responsible position like Sir Montagu Webb have challenged as to whether the deficit is a real deficit, in the strict and proper sense of the term or not! Last year, there was no retrenchment, no talk of retrenchment on the Government side, the very suggestion of retrenchment was resented to begin with, though, later on, the House imposed its will upon the Government and the Retrenchment Committee came. Last year, when we ventured to ask for a paltry 5 per cent. cut in the whole of the expenditure, there were prophesies that the Government could not go on, that there would be serious difficulties in the way and that administration would be impossible. No such catastrophe followed. Retrenchment came and in the judgment of many of us, in spite of the admirable work done by the Lichape Committee, the retrenchment has not gone far enough. Much has been attempted to be made of the fact that the retrenchment recommended cannot be fully given effect to this year or the next. Whose fault was it? Why was not retrenchment begun early in the year? The fault is not that of the Assembly. The Assembly made up its mind fairly clearly and early and it was not going to take further

[Sir Deva Prasad Sarvadhikary.]

risks when the next Budget came on, but no steps were taken so far as we know. This year we have had retrenchment suggested to us and there are certainly possibilities of other retrenchments. Last year there was no certificate, no restoration, in spite of all the more adverse circumstances referred to; this year it is apprehended that, if the House does not do what it has been recommended to do, restoration and the certificate procedure will come. That will not be right nor expedient, but is a matter over which we have no control. As has been pointed out, we have our powers, our rights, our privileges and our obligations under the constitution; so has the Governor General. If the Governor General's powers are exercised, I shall not view it as in what in debate parlance is being called a grave constitutional crisis. We shall have to face many of these things. We, who are pledged to support the reforms to the best of our power and ability, and shall have to face these questions oftener than we think, whatever the Government does, we cannot yet non-co-operate. But that need not bring in references to Herods and Tudors and Stuarts and Revolutions and much else that has been gratuitously mentioned. All this is now in the day's work, and, God willing, we shall succeed in doing our work and evolving a better constitution in time. It has been correctly suggested that, if this deficit is really there, having regard to its temporary character, a surcharge in some shape or another would have met and ought to have met the requirements of the case. But the cat did come out of the bag later on through the speeches of some European official and non-official Members and still later on I believe by advocates of the restoration procedure. Much later than the introduction of the measure question of provincial equilibrium and various other permanent Government obligations awaiting to be discharged and not merely the transient need of balancing the budget were brought in to support the tax. The salt tax, therefore, judged from those points of view, is not for temporary purposes. It is going to be, if it can be, a permanent addition to our taxation—though taxation has even, according to the occupants of the Benches to my left, attained the limit or nearly the limit. We are asked to vote this double increase in salt taxation, not to meet the passing exigencies of the hour, supposing they did exist, but for the purpose of equilibrating Provincial contributions and solving various other vexed questions with which the Government is faced and always will be faced. I am sure the Provinces which under the Reforms will have them from Retrenchment and their own taxation will make their minds unequivocally clear that if the Provincial contributions have to disappear on the terms of doubling salt tax permanently and on no other terms, they would much rather not have reduction on those terms.

Mr. T. E. Molr (Madras: Nominated Official): May I ask what Bengal is going to submit to, Sir?

Sir Deva Prasad Sarvadhikary: Bengal is going to submit, and I can assure the Honourable Member from Madras that Madras is also going to submit, and the United Provinces, the Punjab and everybody else is going to submit, for extra salt duty will hit the Provinces hard. If the raising of the salt tax to Rs. 2-8 and nothing else will equilibrate, there will not be the slightest difference of opinion so far as non-official Indian Members are concerned.

Sir, I shall not attempt to cover the ground that has been so admirably covered by Mr. Jamall and Sir Montagu Webb on the business side of things.

Amateur financiers are rightly nervous if they have to speak on these things "without the book," as was suggested. Business people—at least some—who know the business side of the situation, who know how our credit stands at home and abroad, assure and re-assure us that we need not feel any nervousness with regard to any of these things. Sir, there are what may be called technical difficulties that also weigh with some of us. We have been told that conventions grow, conventions can and will grow from our point of view as well as from the Government point of view. The impression so long has been that the Viceroy is entitled to recommend a Bill. Whether he can recommend any particular amendment in a Bill or not seems to me open to doubt. Then there is the question as to whether the Governor General can ask this House to pass a Bill that has already been passed. Those are aspects that will have to be carefully looked into in connection with this question. There are serious doubts in the minds of many of us as to whether the right procedure is being followed but we can only suggest and not judge. At all events, no occasion has arisen for the Governor General to recommend to this House the particular form in which an amendment has been passed by the other House. I do not mind calling it the Upper House, because if they be the Upper, we are the sole, and without the sole no "upper" can last and without the foundation, obscure and unseen though it be, no "upper" can stand. I do not mind that so long as we are what we should be and are true to ourselves and our trust and are able to justify ourselves. (*An Honourable Member*: "Use some salt.") Well, the architect of old used to avoid salt as the basis of strength. There would not, if it could be avoided, be those forces that are now attacking modern Delhi building even before they are finished. However, that is another story. Those are serious difficulties which weigh with some of us, but they are small when compared to the major issue standing out in the situation. It is not because we opposed extra salt last year; it is not because we opposed the proposal when it was first brought in this year; it is not because Government did not give us any alternative opportunities, although we offered to go a long way, to find other means for covering the supposed deficit, that we still continue to oppose it. If we happen to be wrong, if it is clearly pointed out that we have erred in our opposition—is it up to us to continue to oppose it? Decidedly no. If proper facts had been placed before us, if proper materials were forthcoming here, in the other House or in the Press to convince us that we have been in the wrong, we should be wrong in voting against enhanced salt duty. No such fact and materials—except the will of the Government—are forthcoming. We must therefore do our duty once more and oppose the change suggested by the Council of State.

The Honourable Sir Malcolm Halley: I have during the last two years had to wrestle in spirit somewhat frequently with this House, and I confess I had hoped that during this session I should be sailing on easier seas and that a time of comparative peace had come for me. But this apparently is not to be; for not only does it seem to my Honourable friends here that we are at present engaged in something of the nature of a constitutional crisis, but Mr. Jamnadas Dwarkadas has threatened us that its effects will extend far beyond the financial sphere of my friend Sir Basil Blackett and will invade my own. And so, disappointed in my hopes of personal peace, I must again join battle with my Honourable friends opposite.

[Sir Malcolm Hailey.]

Now let me if I may first try to define what is common ground between us. Sir Campbell Rhodes has with great justice pointed out that we have here a proposition which can arouse none of those suspicions which have unfortunately been involved in some of our previous discussion on Budget proposals. What we have put forward here is obviously and patently not on behalf of European trade or commerce, nor calculated indeed to support any European interest. I am aware that Mr. Jammadas Dwarkadas, somewhat late in the day, has made a suggestion that Whitehall was pressing for the Salt tax. Whitehall has become a painful obsession to him. He sees its dark and mysterious influence everywhere. He was unable to give any ground for his suggestion; having no proof himself, he took the simpler course of inviting me to deny the imputation. I can do so honestly; the suggestion was our own. The desire to square our Budget is our own. We put forward the salt tax last year as our own proposition and we have repeated it again this year as our own proposition. The haze of suspicion that he has endeavoured to create can be cleared away as far as that aspect of the matter is concerned. Yet again it is clear that we are putting forward here a proposal which cannot be misinterpreted on the ground that we wish to place ourselves in fresh funds for any forward military policy, that we are yielding to the dictates of a forceful military section to increase the number of our combatant troops or raise our scale of equipment at the expense of an impoverished Exchequer. So much, I say, is to the good; and it must be put into the balance when the final issue is struck. And yet once more it is clear that we are not asking here for fresh funds to support the desire of civil departments to extend their useful but possibly expensive activities. We have many schemes of civil expenditure entirely beneficent in themselves, full of promise for the country, nay, essential for the progress of the country; but we are not putting forward a proposal for fresh taxation to finance them. On the contrary, we have deliberately refused to consider new expenditure on this account. So much, again, must be admitted on our account; so much I say must be put into the balance on our side. But I can go further in my analysis of our common ground. It has been admitted that our sole motive here is to re-establish our credit, and as an immediate step to that end, we ask the Legislature to pass—and we can ask it to pass for this year only—a definite increase to our taxation for this year, leaving it when the time comes again, to decide whether or not the increased sources of revenue which will be at our disposal shall be continued and utilised for fulfilling our obligations in regard to the provincial contributions. I have never heard any suggestion that our motive went beyond this; and if there is a point of difference between us it lies in the assertion that we have placed too much importance on the immediate balancing of our budget as a means of restoring our credit and that in seeking to get the Legislature to balance it by this particular method we are asking India to bear a burden disproportionate to the value of the financial gain to be derived from the mere balancing of our revenue and expenditure. I think I have stated the present issue fairly on both sides. It may have been that at an earlier stage there were some different issues on the record; it was then perhaps the case that the Assembly doubted whether a deficit really existed, whether it might not have been met by a more optimistic view of our revenues, whether it might not have been met by some adjustment of our accounts.

whether the additional revenue might not have been raised, failing the former solutions, by some different form of taxation. If I do not now discuss these issues at length it is because I regard them as spent. Can anybody in the present state of our export trade and of the troubles in Europe venture to suggest that our Finance Member should again take stock of his revenue receipts and deliberately add to them two or three crores of rupees? Such action would at this stage be impossible in itself, and in its result, disastrous to our financial credit. Equally impossible is it at this stage to suggest any such wholesale readjustment of our accounts as to cause this deficit to disappear; for I claim as I have claimed before that if there is to be a readjustment of our capital and revenue accounts it must be of our accounts throughout and not of one selected item. Finally is it feasible now to suggest that there is any alternative form of taxation? We explored that possibility together. Mr. Seshagiri Ayyar said that we did not come down and consult the House as to alternatives. Sir Montagu Webb said that if we had proposed to increase our customs and our income-tax we should have carried it by a large majority in this House. Yet he knows that this is not the case; he knows that strenuous efforts were made to find some common ground between us; he knows that one section of the House was bitterly opposed to any increase in direct taxation, and that another section was equally opposed to any increase in the customs duty. He himself was equally opposed to both proposals. We are told that if we had been firm we might perhaps have carried some of these alternatives through. What guarantee had we? We had none at all; yet I must say this on behalf of Government and I will say it with all sincerity, that there never has been a time during the course of these budget discussions when we would not have been glad to have found some common ground of understanding on this question; there never has been a time when we would not have been prepared to accept any alternative form of taxation which would have been accepted by this House at large. The difficulties occurred not with us, and did not lie in our lack of good will or determination; the difficulties occurred within the House itself. I am justified, I think, in dismissing those side considerations and can return to the case as it stands between us now and at this moment, and take up the issue as I have already described it. Is it true, as you say, that we are exaggerating the evils of an unbalanced budget? Is the balance a mere shibboleth? Is it a fetish, a punctilio of finance? Our ground is, that it is an operation necessary to the early restoration of our credit. Sir Montagu Webb says that our credit is sound, that even at the worst, when we had to face those large previous deficits we could raise large sums of money. He goes further, and tells us that even if we leave this deficit uncovered then it does not matter; two hundred million or so of unproductive debt will only be increased by two or three million more. He expressed himself in terms of the greatest optimism of the financial condition of this country and of its future prospects. That is well; optimism is all to the good so long as it does not lead you into neglect of the immediate steps required to secure the results you hope for. Sir Deva Prasad Sarvadhikary took Sir Montagu at his word. As an amateur in finance himself, he spoke with some hesitation, but fortified with the opinion of a business man, he felt that nothing was now required to establish further India's finance and credit. He spoke of that opinion almost as one might speak of the final, definite and decisive opinion of a great consulting physician.

Sir Deva Prasad Sarvadhikary: Something to go upon at all events.

The Honourable Sir Malcolm Halley: I will show how much. These physicians like ordinary mortals have their inconsistencies. Sir Montagu Webb will forgive me—I have known him much longer than any Member of this House—I am an old friend and he will forgive me therefore if I handle him as I should not like to see others doing. I will remind him that, cheery optimist as it now suits him to profess himself, there have been times when his optimism was not so pronounced in regard to our financial condition. Let me read to him an extract from a speech which he delivered not very long ago—only in January last. He has taken the opportunity to quote what I said two years ago; I will be more considerate and will read to him what he said only two months since. He will appreciate its bearing; and if he does not I am sure that others will. “I put it to you that if any one of us here had been running a business on a 30 crores deficit every year for the last five years and somebody were to say to me ‘don’t worry, the position is not very grave,’ I should feel inclined to tell him, ‘get thee behind me Satan’” (Laughter). Sir Montagu Webb has admitted to-day that we had been running on deficits of more than 30 crores; Sir Montagu Webb has said to-day in almost exactly the same words “don’t worry, the position is not very grave.” Mere politeness demands that I should follow him and say “get thee behind me, Satan” (Laughter). Sir Montagu Webb cannot persuade us that we can meet the situation by taking into ourselves just a little balm of optimism. I appeal from him to other business men. I quote to the House (since we are all fond of quotations to-day), what was said by that important body of merchants who attended on a deputation on His Excellency the Viceroy only last summer. It was equally representative of European and Indian Chambers of Commerce. They stated, and with the utmost conviction, that until India could balance its budget, and make its expenditure equal to its revenue or its revenue equal to its expenditure, we should be paying more for our money, our industries would suffer and the whole course of trade in India would remain insecure and uncertain. That was their lesson; and it is that lesson which I quote against Sir Montagu Webb. With some regret I must warn the House not to accept as an infallible guide, a thinker so inconsistent that he could sign the Fiscal Commission Report in one sense, and advocate almost exactly the opposite conclusions before the Associated Chambers in Calcutta. It may seem that I am attempting only to attack the opponent’s advocate. That is not so, I am pointing out to the House that it should not place too great a reliance on the confident and optimistic suggestions of Sir Montagu Webb either about our present situation or about the effect of failing budgeting for a balance.

Let me take for a minute the question of our credit as I see it, and I shall be very brief on the subject. It is not merely a question of restoring our credit in the money markets of the world; it is also a practical question of immediate importance to everyone in India. As we have always pointed out here, as long as we are in deficit, we have to come to the market for large temporary loans. We lose our control over interest rates, and that affects everybody engaged in commerce or industry in this country. I go further than this and I say that the balancing of our revenue and expenditure is necessary if we are to have security from the possible prospect of inflation. It is true that a small deficit does not mean in itself the issue of a large number of unbacked notes. That is true, but no one doubts that continued deficits do in some form or other, directly or indirectly, spell inflation. Again, distasteful as the means may be, our ultimate aim must be to bring the rupee to an internal value corresponding

more nearly to the value of the past, and thus reduce that enhancement of prices which has weighed so heavily on the people. After all the discussions and theories on exchange and currency, there is only one fact, I think, that remains clear, that if your rupee is to be worth anything in the outside world, you must first of all make it worth something in India. It is a misfortune that the remedies necessary to restore an unfavourable position are so often painful, unpopular, provocative of criticism, while the effects are slow, difficult to appreciate, and only come to hand too late to mitigate the criticism which the effort has caused. Yet that is in the nature of things, and a difficult financial situation will not yield to a cheerful bedside manner or homœopathic drops. But if the operation on which we are engaged is distasteful, have we not given our own proof of the earnestness with which we believe in its necessity? If we were engaged in satisfying a mere punctilio of finance, as some Members suggest, or a mere point of honour in regard to our budget position, should we have been prepared on our part to go so far in measures which must have been so extraordinarily distasteful to any Government? It was no small matter for the Indian Government to arrive at a determination to reduce combatant British troops in India and to succeed in persuading the Home Government to accept its necessity. Take again the frontier. I am not going into the rights or wrongs of the question, but we have had to choose on the frontier a policy which many of our advisers here told us is only the second best, and for financial reasons we have been unable to follow the advice of the many experts who would have us pursue a more thoroughgoing policy. Again we have given proofs in regard to our civil expenditure, for we have carried out reductions which as has so frequently been pointed out here, and not only on this side of the House, will leave many of the departments of the Central Government lifeless and inanimate. Do not for a minute believe that all we have done as some of our amiable critics tell us—is to lop off excrescences.

And now, Sir, with regard to the position of our opponents. They may perhaps be prepared to accept much of what I have said, and may yet nevertheless hold that we are asking them to pay too heavy a price for the benefits which we are attempting to secure, because the measure in itself will involve such grave political consequences. Is that really so? Mr. Jamnadas is the chief apostle of that theory, an apostle who has already begun to bear the heavy cross. He told us to use our imagination. Sir, I ask him not to misuse his. When he told us that the salt tax is a messenger of revolution, I must remind him that he is misquoting from a speaker in this House in 1921 who told us that each half-penny post card would be a messenger of revolution. That only shows how it is easy to be betrayed into error by the possession of a somewhat facile vocabulary. I myself have been much struck by the arguments used by Sir Campbell Rhodes that for a month people had been paying this increased tax.

Rao Bahadur T. Rangachariar: What do you expect them to do?

The Honourable Sir Malcolm Hailey: What Mr. Jamnadas obviously expects them to do is to rise in revolution on the subject. I say that he has clearly exaggerated the effect of this tax on the people. And just as he has entirely exaggerated its economic effect, he and Sir Montagu Webb have exaggerated the effects on the Reforms of our attempting to force it into law. That there is a deep-seated and long standing sentiment in India on the subject, I am the first to recognise. That there is an old

[Sir Malcolm Hailey.]

tradition of dislike behind it I equally recognise. But, Sir, that we are by this measure wrecking the reforms I entirely refuse to believe. I do not for the moment intend to place any stress on the argument which has sometimes been used here that the objections against this proposal are based on apprehensions concerning the approaching elections. I should consider it unfortunate if I had to use such a charge when better arguments will serve my turn. Actually the point of attack has changed. It is not now the tax itself which is going to impose such hardship that we have to fear agitation or danger to the reforms; to-day the real charge is that we know that we cannot get it through this branch of the Legislature, and are preparing to use the special powers of the Government of India Act to secure our ends. That is unconstitutional, and that is the danger to Reforms. If, says Mr. Jinnadas, you cannot get this tax through your Legislature, then you should make no further effort to go on with your proposal. If you use your reserved powers you will break down the constitution because, though the law contains certain safeguards and exceptional provisions, we have always been telling the people that these are paper provisions. What authority had he for preaching that it was intended that these powers should be paper provisions? Certainly not the Parliament which framed them, or the Joint Committee which recommended them to Parliament, and I cannot remember that the Congress or other witnesses before that Committee ever suggested that the reserved powers should be kept only for show and not for use. If this measure is really essential for British India, and if it is refused by an adverse vote (and it may be only a small deciding vote) of this branch of the Legislature, then I say that the use of the reserved powers would be entirely within the terms of the constitution, as handed to us by Parliament. (Mr. T. V. Seshagiri Ayyar: "Not the letter of the law." (Mr. Jinnadas Dwarkadas: "Refer to Mr. Montagu's speeches.") If Mr. Montagu ever said anything which will prove that the position which I am now putting before the House is an incorrect one, I should be glad to hear it. For what is this exceptional provision meant? In every country, even the most democratic, the Executive must have the final power as it has the responsibility, of carrying out measures necessary for safety or stability. As far as possible and as long as possible, we must carry the Legislature with us. In England or elsewhere we should do so by the assistance of our majority in the Legislature; in India the reservation of the Governor General's powers is meant solely for this; that in the last resort the Executive Government may be placed in the same position as a Government possessing a majority in a representative Assembly. Now, that is its meaning, and the whole question is not whether the Government has or has not the right to use such a power, or is guilty of arbitrary executive action in using such a power but whether the occasion justifies it. The true test is whether a Government with a majority would not, in spite of a certain unpopularity likely to result from the exercise of its vote, feel that the occasion justified its use. Now, I maintain that the occasion does justify it. I maintain that if we do not take the occasion now to restore our finances when we have had two good harvests, when prices are falling and people are in a position to bear the increased tax without the slightest hardship, it is impossible to conceive circumstances in which such powers can legitimately be used. I say again, that the real question is not one whether we shall be acting constitutionally or not; we simply have to judge as to the sufficiency of the occasion. And I claim that the occasion has arisen. (Honourable Members: "No, no.") And the occasion does justify the use (Honourable Mem-

bers: "No, no.") Well, Sir, that is the feeling of my Honourable friends. I am glad to have brought them back at all events to the point that it is a question merely of the merits of the occasion that there is no suggestion that the use of the powers is unconstitutional. But, they will say, even if it is constitutional, it is dangerous and undesirable, for used at this juncture it will endanger the success of your Reforms. I have no belief that this will break up the reforms. I myself am too much interested in them to view with equanimity anything which would have that result. I have equally too robust a faith in their inherent vitality to think that an incident of this kind would bring disaster. They have weathered far worse shocks than this; they will weather more still. That there would be troubles ahead of us we knew, just as we know there are anomalies involved in the Reforms scheme; but those of us who believe in it as a whole have been content to neglect those anomalies and to look beyond those troubles, in the confidence that any anomaly or any trouble can be surmounted if the spirit of the scheme is loyally preserved. It is true many in this Assembly are opposed to this tax; they are entitled to their opposition if it is genuinely on the merits, they are not entitled to charge us with breaking the spirit of the Reforms if we insist on a measure which is not initiated in order to maintain the arbitrary authority of an executive Government but genuinely designed for an object purely for the benefit of India. That the restoration of our credit, the attainment of stability, with all its implications on provincial finance and the possibility of fostering subjects committed to Ministers, is such an object, no one can seriously dispute. If it is said that this will be the death-blow to the reforms. I myself believe that it is the opportunity of the Reforms. I believe it is the opportunity for the Legislature to complete the work which it has begun, a work which has required great courage and determination on its part and which I am the first and the most willing to recognise. I believe it is not only the opportunity for the Legislature to complete that work but to show that it can revise old traditions of thought and old beliefs in the light of new requirements, that, if it has in view an object of real value for the good of India, it can be strong and independent in that view. If so, it is an opportunity for it to increase its status in the eyes of the world for that status must in the long run depend not on the unsubstantial basis of its aspirations but on the sure and solid foundation of its achievements.

Mr. S. O. Shahani (Sind Jagirdars and Zamindars: Landholders): Sir, we have all heard with very great interest what has been said by Sir Montagu Webb on the subject. While I sympathise with what has been generally said by him in his capital speech, I too, like the Honourable the Home Member, must come forward to point out that the deficit does not appear to me to be merely a paper deficit, and that if retrenchments are not made much more extensively I would not feel inclined to take any very optimistic view of the deficit with which we are confronted. I am surprised that in this House the real remedy for the deficit has not been insisted on. It is being said that our credit outside the country will not suffer even if our deficit remains uncovered. Our credit is bound to suffer if our unproductive debt amounting to 226 crores, of which 100 crores are due directly to successive deficits, is to increase by 4 crores more this year. What is desirable just now is to severely revise our expenditure. Our Finance Member, who is undoubtedly a very able Minister, should realise, I respectfully submit, that our expenditure has not been reduced to its legitimate limits. It is true that the Retrenchment Committee has

[Mr. S. C. Shahani.]

recently brought its axe to bear upon our expenditure, and this year a very large cut has been made. I quite agree that for a beginning this is a very desirable step. But I respectfully submit that undue expenditure is being incurred in most departments. I would give one or two instances. Take the Bengal-Nagpur Railway. For an Assistant Traffic Superintendent, Nagpur, a bungalow is to be built at a cost of one lakh and 18 thousands.

Mr. President: Order, order. The Honourable Member cannot discuss that now.

Mr. S. C. Shahani: Well, Sir, I merely wish to say that instead of a lakh and eighteen thousand rupees, a few thousands only might appropriately be spent on an Assistant Traffic Superintendent's bungalow. Similarly, on the formation of bunds on the Anda-Janda Railway, the sanctioned estimates come to about 13 lakhs; still the total expenditure to end of 1923-24 is to come to 35 lakhs. Such a procedure, I maintain, ought to be sternly prevented. Secondly, in this year of deficit, we ought certainly to remove some of the newer items included in the budget. Provisions for new Railways made in the Budget might be stayed; and by doing so I am strongly of opinion that we would be able to cover our deficit. The whole of our deficit may not be covered this year; it may be done in the next year. By keeping the actual expenditure below the budget figures, we can respect public opinion, and we can go without the additional salt tax. The salt tax is in reality a great political danger. The statement that was put forth by my Honourable friend Mr. Jannadas Dwarkadas has been poo-pooed. It has been said that the enhanced salt tax will have no prejudicial effects upon the country. I am sincerely very doubtful. The immediate result may not be a revolution. The discontent may come to be latent, even more latent than it is at the present day. But beware of just latent discontent. Just latent discontent ought to be avoided at all costs. I am surprised that in this House the economic evil of the salt tax has not been properly pointed out. The Honourable Sir Campbell Rhodes the other day ridiculed the economic knowledge of Dr. Gour, and what was told him in confidence was said in public, namely, that on his own authority the position that was put forward by Dr. Gour would appear to him to be a ridiculous one. I must own I have seldom admired the economic advice that has been given us by the Honourable Sir Campbell Rhodes himself. He has on the present occasion come forward to tell us, like my Honourable friend the Member for Commerce and Industry, that the wages have risen and that there is economic prosperity in the country. This would be a camouflage prosperity obtaining in the country like the camouflage surplus pointed to by Sir Montagu Webb. It has been made out that we do command a surplus when a surplus would with our best efforts be impossible for another two or three years together. It has been represented that the poor people are flourishing because their wages have risen. The wages have risen, it is to be remembered, as a consequence of a still greater rise in the cost of living; and it has also to be remembered that the material prosperity in the country is very much less now than it was before. The Honourable Mr. Innes at one time came forward to point out as absolute certain tests of increased prosperity in India that when he was Foodstuffs Commissioner in Madras in 1919, when crops had badly failed, only 5 lakhs of people were to be found on relief as against 65 lakhs of people on relief in an equally bad year, 1901. When I contemplate the actual condition of

things known to me, I feel that if there were no other causes probably the arrangements that were made in 1919 were so bad, the rations supplied were so rotten, that people preferred death to the rations that were distributed to them then. He also referred then to the increase in the revenue derived from drink. He said that in 1903 it was Rs. 7 crores and now it is over Rs. 16½ crores. Does he not forget that drink is an unhealthy luxury, and that if the people are just now showing a greater liking for this unhealthy luxury, we have got to remember that our economic condition is distinctly very much worse on that account than it was before? These are no illusions. It has been said by some very responsible men again that we earn per annum about Rs. 60 per head. This is I submit an unreliable estimate. Our average income could never be more than Rs. 35 per year and not per head but per family of four, a sum that would hardly suffice even for the maintenance of one man throughout the year. Our income is miserably low. It is again said that 12 annas per family of four per year will be the additional charge to the poor from the enhanced salt tax. That calculation appears to me to be incorrect, because we are 330 millions of people, and two-thirds of these would be the people inhabiting British India, and if our total revenue from salt duty is estimated now at about Rs. 20 crores, we see that the charge per head will be much heavier. But supposing for the sake of argument that my calculation is wrong, supposing for one moment that 12 annas per head comes to be the additional charge from increased salt duty, we have got to remember that the poor people of India cannot afford to shoulder an extra annual burden of even 12 annas. Even 12 annas will go a long way to buy them, as it was said by Sir Evelyn Baring in 1882, a *dhotie* or a *lota*, which they so much need and which will be so serviceable to them that live often on gram or *bhugras* alone. That is a phase of Indian life that was rightly referred to by the Honourable Sir Dinshaw Wacha in the other House the other day, and it might very well be revolved here to day. I again hold that the economic condition of the poor people is very unsatisfactory, and on that account this tax ought not to be tolerated. I for one am not afraid of encountering my constituency because I may not be in a position to tell them that I have not helped in the imposition of the increased salt tax. The question of questions now is, is it right to increase the salt tax or is it not right? If the Government is right, then do impose the increased duty, and I have not the slightest doubt that the people will not mind it. But my position is that the salt tax is an economically unsound tax because salt is used by the lower classes too, and not merely by the upper; and that if it is an economically unsound tax, do not go in for it. My respectful submission to our new comers, the Honourable the Finance Member, as I have said on a previous occasion, would be that he should with due care consider the expenditure which is being gone in for here in India. It is very heavy, and it must be radically reduced. Camouflage the situation as you will, the people will never be satisfied until the retrenchments are gone in for to a much greater extent than they have been gone in for now. It is being said that the Incheape Committee have rendered a service to the country. They have merely skimmed the surface and that even the proposals from various offices that were put before them were not properly considered. I knew no contact with the Committee and I think most of the Members of this Assembly knew no contact with the Committee and the Committee had no means of knowing the actual condition of things in India. I therefore once again repeat my request, which I make with all humility, that the expenditure is unconscionable and unreasonable and if you retrench, there will be no deficit and if there is no deficit, there is no

[Mr. S. C. Shahani.]

need to risk this unconstitutionality. It has been said that the power that is given to the Governor General by law justifies his certification. Sir, this is a reserve power and the exercise of it will be extremely unpopular. Do not attempt it and do not superciliously ignore the attitude that has been put before you at the present moment.

Mr. Darcy Lindsay (Bengal: European): Sir, unlike my Honourable friend Sir Montagu Webb, I rise to strongly support the amendment made by the other House. I regret I have not his oratory to place before the House the other side of the rosy picture he portrayed, the prosperity with which India is at present blessed. I had proposed to deal with some of the points he raised and review his arguments but, I think, they have been very effectively dealt with by the Honourable the Home Member, who has pricked the somewhat gaudy air balloon he has raised and which found so much favour with the House. I hope my Honourable friend will hang his head in sorrow and follow the Honourable the Finance Member into the proper lobby. A point, Sir, was raised by my Honourable friend, Sir Deva Prasad Sarvadhiary, when he referred to Sir Montagu Webb, and Mr. Janall and the respect he had for the opinion of businessmen in this House. I much regretted he made no reference to my Honourable friend Sir Campbell Rhodes. Does he wish the House to believe that Sir Campbell Rhodes is not a businessman, and a very able man at that? We all know that the House, whenever they can, follow Sir Campbell as against Sir Montagu.

Sir, there is one vital question at issue in this matter, and that is to what extent the tax will assist in the promised reduction of the provincial contributions. My Honourable friend, Sir Deva Prasad Sarvadhiary, briefly referred to this point, and I believe, he was quite satisfied that the provinces, if such a bait was held out to them, would strongly resist the taxation. I, on the other hand, hold a different opinion. I have heard expressions of views outside the House and by some very prominent leaders of the House that if the Honourable the Finance Member would only give us a pledge that he would devote the tax or the surplus that he may secure from the tax to a reduction of the provincial contributions, then, the House would be entirely with him. (*Cries of "No, no."*) These were the expressions of opinion as given to me outside when my vote was being canvassed. I am not giving away any name, but that is an absolute statement of fact and to my mind is another bubble pricked in this great cry of the injury to the poor men of India by the imposition of the salt tax. The fear was expressed that as there was no definite assurance the money might be devoted to other purposes. But, I think, the Honourable Member can re-assure the House on that score for we have already been told that the 9 crores of contributions is a first charge on the coffers of the Government of India, and a debt that must be liquidated at first opportunity. It is undoubtedly the salt tax which will enable the Government to set their house in order, and quite possibly, next year, with a surplus in hand relief will come to the provinces including Madras who will get the bulk of the relief. (*A Voice: "That is another vote catching."*) This is not vote catching. This is an absolute truth. What stronger argument can we, the elected Members, have than the direct benefit reduced contribution will bring to our particular province and, therefore, India as a whole? When the question is asked, what have you done for the benefit of the province when you return to your electorate, is the reply to be "I strongly resisted the increase in the salt tax as a constitutional

crisis was involved but at the sacrifice of our provincial contribution, which will consequently have to continue for years?" Is that an argument that will appeal to the people who want to see money spent in works that will directly benefit them? What do they care about your so-called constitutional crisis as against the improvement of sanitation, education, and many other benefits that the provinces are waiting to bring about, but for want of money cannot do so? What is the cost to the people? Three annas per head. (*A Voice*: "Exploded.") It is not exploded. My Honourable friend Mr. Jannadas Dwarkadas who in his speech carried me back to a Sunday afternoon in Hyde Park has told us that this salt tax is a messenger of revolution to every village home. I say, Sir, it is more likely to be a messenger of hope. (*Voices*: "No, no.") Sir, it was only a few days ago that my Honourable friend, Sir Basil Blackett, placed his hand on his heart to emphasise a particular point he wished to make. I wonder how many of us can place our hands on our hearts and honestly affirm that the proposed increase in the salt duty is going to be a burden to the people. Let us be honest with ourselves and admit that our reasons are political and partly pique at the will of the Assembly being set aside. Sir, I appeal to all Members of the House to support the tax under the battlecry of reduced provincial contributions. (*Cries of "No, no."*) and I particularly appeal to the Members from Bengal to in this way give their support to the interests of other provinces who do not at the moment enjoy the remission that Bengal has received. With these few words I strongly support the amendment made by the Council of State.

(*Cries of "Let the question be now put."*)

Mr. President: The question is that the question be now put.

The motion was adopted.

Mr. President: The question is:

"That this Assembly do agree with the Council of State in the amendment that in sub-clause (1) of clause 2 of the Bill, after the words 'construed as if' the words 'with effect from the first day of March, 1923' be inserted and for the words 'one rupee and four annas' the words 'two rupees and eight annas' be substituted."

The Assembly divided:

AYES—47.

Abdur Rahim Khan, Mr.
Abul Kasem, Maulvi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Ahsan Khan, Mr. M.
Aiyar, Mr. A. V. V.
Akram Hussain, Prince A. M. M.
Allen, Mr. B. C.
Amjad Ali, Maulvi.
Bhanja Deo, Raja R. N.
Blackett, Sir Basil.
Bradley-Birt, Mr. F. B.
Bray, Mr. Denys.
Bridge, Mr. G.
Burdon, Mr. E.
Cabell, Mr. W. H. L.
Chatterjee, Mr. A. C.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Faridooonji, Mr. R.
Gajjan Singh, Sardar Bahadur.
Ghulam Sarwar Khan, Chaudhuri.
Gidney, Lieut.-Col. H. A. J.

Haigh, Mr. P. B.
Hailey, the Honourable Sir Malcolm.
Hindley, Mr. C. D. M.
Holme, Mr. H. E.
Hullah, Mr. J.
Innes, the Honourable Mr. C. A.
Ley, Mr. A. H.
Lindsay, Mr. Darcy.
Mitter, Mr. K. N.
Mohr, Mr. T. E.
Moncrieff Smith, Sir Henry.
Muhammad Hussain, Mr. T.
Muhammad Ismail, Mr. S.
Percival, Mr. P. E.
Rhodes, Sir Campbell.
Sams, Mr. H. A.
Shahab-ud-Din, Chaudhuri
Singh, Mr. S. N.
Sinha, Babu Adit Prasad.
Spence, Mr. R. A.
Townsend, Mr. C. A. H.
Willson, Mr. W. S. J.
Yamin Khan, Mr. M.
Zahiruddin Ahmed, Mr.

NOES—58.

Abdul Majid, Sheikh.
 Abdul Quadir, Maulvi.
 Abdul Rahman, Munshi.
 Agarwala, Lala Girdharilal.
 Ahmed, Mr. K.
 Ahmed Baksh, Mr.
 Aiyer, Sir P. S. Sivaswamy.
 Asjad-ul-lah, Maulvi Miyan.
 Ayyangar, Mr. M. G. M.
 Ayyar, Mr. T. V. Seshagiri.
 Bagde, Mr. K. G.
 Bajpai, Mr. S. P.
 Basu, Mr. J. N.
 Bhargava, Pandit J. L.
 Bishambhar Nath, Mr.
 Chaudhuri, Mr. J.
 Dalal, Sardar B. A.
 Das, Babu B. S.
 Dass, Pandit R. K.
 Ginwala, Mr. P. P.
 Gour, Dr. H. S.
 Gulab Singh, Sardar.
 Hussanally, Mr. W. M.
 Iswar Saran, Munshi.
 Jafri, Mr. S. H. K.
 Jamall, Mr. A. O.
 Jamnadas Dwarkadas, Mr.
 Jatkari, Mr. B. H. R.
 Joshi, Mr. N. M.

Kamat, Mr. B. S.
 Lakshmi Narayan Lal, Mr.
 Latthe, Mr. A. B.
 Mahadeo Prasad, Munshi.
 Misra, Mr. B. N.
 Mudaliar, Mr. S.
 Mukherjee, Mr. J. N.
 Nabi Hadi, Mr. S. M.
 Nag, Mr. G. C.
 Nand Lal, Dr.
 Neogy, Mr. K. C.
 Pyari Lal, Mr.
 Ramayya Pantulu, Mr. J.
 Ramji, Mr. Manmohandas.
 Rangachariar, Mr. T.
 Samarth, Mr. N. M.
 Sarvadhikary, Sir Deva Prasad.
 Schamnad, Mr. Mahmood.
 Shahani, Mr. S. C.
 Singh, Babu B. P.
 Sinha, Babu Ambica Prasad.
 Sinha, Babu L. P.
 Sohan Lal, Mr. Bakshi.
 Srinivasa Rao, Mr. P. V.
 Subrahmanayam, Mr. C. S.
 Tulshan, Mr. Sheopershad.
 Venkatapatiraju, Mr. B.
 Vishindas, Mr. H.
 Webb, Sir Montagu.

The motion was negatived.

Mr. Jamnadas Dwarkadas: Is it necessary to put the other amendments at all because these are consequential amendments? As the original amendment has been thrown out, I submit that these amendments do not arise.

Mr. President: That is a matter of interpretation.

Sir Henry Moncrieff Smith (Secretary, Legislative Department): As the original amendment has been thrown out, I think the House for consistency's sake should also get rid of the other amendments, as they were consequential to the amendment which the Council of State made in the Bill. If these words stand, one might think that they were superfluous and the House may be charged with inconsistency. I think, the main question was whether the salt tax should be Rs. 1-4-0 or Rs. 2-8-0. This House has decided on Rs. 1-4-0 and, therefore, such introductory words as "with effect from the first day of March, 1928", and so on, will become unnecessary.

Mr. President: I think we had better proceed with the division.

The Honourable Sir Malcolm Halley: I shall not ask for a division on this matter.

Mr. President: Further amendment made by the Council of State in the Indian Finance Bill:

"At the beginning of sub-clause (2) of clause 2 of the Bill, the following words were inserted, namely:

'With effect from the first day of March, 1923'."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

The motion was negatived.

Mr. President: Further amendment made by the Council of State in the said Bill:

" Sub-clause (3) of clause 2 of the Bill was omitted."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

The motion was negatived.

Mr. President: Further amendment made by the Council of State in the said Bill:

" To clause 3 of the Bill the following new sub-clause was added, namely:

' (3) The amendments made in the Indian Tariff Act, 1894, by this section shall have effect from the first day of March, 1923 '."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

The motion was negatived.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, before you call on Mr. Burdon, I beg to call your attention to page 46 of the Manual and to inquire whether this House is entitled to send a message to the Governor General. The Governor General has sent us a message, to which a reply is due. My motion, Sir, is to send a reply to that message, which I trust that you will hold we are entitled to send. My object, Sir, it may be mentioned is to point out to His Excellency the Governor General that he is being advised on a wrong course altogether in the matter of certifying under clause 67B of the Government of India Act. I propose to point out that clause 67B could not apply at this stage. That is my legal point. I also propose to address His Excellency through my speech here that he should not follow the advice which is being given to him behind our backs by other people. Therefore, Sir, I want this House to emphasise its vote given on the last occasion by imploring His Excellency not to use this reserve power which the law has entrusted to him. I think, Sir, you will hold that we are entitled to send that message to His Excellency. I have handed to you, Sir, a slip of paper containing the further message which is to the effect that this House do also implore His Excellency not to exercise the power which he has got under this section. Sir, I submit it will be fitting on an important occasion like this that this House should send such a message and I am sure that His Excellency with all his liberal instincts will pay that attention which is due to this Assembly, which is the popular House. However responsible the advisers in His Excellency's Cabinet may be, we also claim to represent the people. We claim to be true friends of His Excellency the Governor General. We want His Excellency to continue in this country as Viceroy and to earn the love and respect of the people of this land. Therefore, Sir, I want this opportunity to move this proposition so that this House may send its humble message to His Excellency not to embark upon this measure upon which he is advised to embark. I hope, Sir, you will hold it in order.

Mr. President: The Honourable Member will observe that the debate this morning on the salt tax verged not merely upon what was disorderly but upon what was actually forbidden, namely, comment on the conduct either of the Crown or of the Governor General in his actions apart from the Government of which he is the head. The action which he is entitled to take under the constitution, as Governor General and not as Governor

[Mr. President.]

General in Council, is to set in motion this very procedure which begins by recommendation and ends, on this assumption, by certifying a Bill. If I were to allow the Honourable Member to move this motion, the debate must inevitably reflect upon his conduct as Governor General. I ask the Honourable Member on that ground, therefore, not to press his motion. It must be assumed that the Governor General is fully seised of all the aspects of the question, including those presented in public debate on the floor of this House, before he takes such action as is contemplated under the constitution.

Rao Bahadur T. Rangachariar: I have always great respect for and a desire to follow your ruling and advice, but there are certain legal aspects of the question, which perhaps have not been placed before His Excellency. That is one reason why I wish to move this motion.

Mr. President: If the Governor General desires legal advice over and above that which is officially available to him from the Honourable the Law Member, he no doubt will seek it where he desires to find it. The Honourable Member is a distinguished lawyer himself. I imagine the doors of Viceregal Lodge are open to him equally as to others.

THE CANTONMENTS BILL.

Mr. E. Burdon (Army Secretary): Sir, I move for leave to introduce a Bill to amend the Cantonments Act, 1910.

The purpose and scope of the Bill are clearly and simply set forth in the Statement of Objects and Reasons. Moreover, the subject with which the Bill deals must already be familiar to many Honourable Members of the Assembly and, consequently, the further observations which I will make in support of my motion will be very brief. Cantonments exist primarily for the accommodation and for the service generally of troops, and it may safely be said that, when the cantonments were first established, the needs of the troops constituted not only the primary but the sole consideration by which the system of governing cantonments had to be determined. In the course of time, however, conditions have materially changed and there are many large cantonment areas in India which contain a considerable civilian population, whose presence in the cantonments has no specific connection with the troops or with the military administration. In the cases to which I am referring the civilian part of the settlement has been created by economic causes of one kind or another. This change of conditions has led to a demand, a justifiable demand, for changes in the system under which cantonments are administered. In the past few years the question has formed the subject of a considerable amount of public discussion between, on the one hand, those sections of the public that are directly interested in cantonment affairs and the military authorities, and indeed the Government of India on the other hand. In the result, about this time last year, His Excellency the Viceroy, in receiving a deputation of the All-India Cantonments Association, gave an undertaking that Government would introduce liberal reforms into cantonment administration without at the same time doing anything to the prejudice of the discipline and comfort of the troops for whose benefit cantonments primarily exist. The fruit of these discussions and the undertaking which I have just mentioned is to be found in the Bill which I seek

leave to introduce, and it is perhaps desirable that I should take this opportunity of stating once more in definite terms the general position which Government desire to adopt in the matter. It is still held that in all cantonments the essential requirements of the troops must come first. It is vitally important, for example, that troops should live in absolutely healthy conditions, so far as it is humanly possible to achieve this end. I will give one very brief illustration of the reason why Government must take so definite a line in the matter. I remember that, when the great war broke out in 1914, a certain regiment was found to be infected with malaria through no fault of their own, but merely as a result of the insanitary state of the cantonments in which they were stationed. The regiment was consequently declared to be unfit for active service. It is easy to see what this means. It means that the expenditure which had been incurred on maintaining that particular regiment and the labour which had been spent in organising and training it failed of their effect at the very moment when the regiment was most needed. The cantonment, I am glad to say, has since been abolished. It is equally necessary to protect the troops from other forms of contamination, from possible contamination of their morals or of their discipline and morale. It is not that troops are specially susceptible to evil influences. Here in India we know very well that the contrary is the case. But the troops are too valuable to risk. That is the point.

Subject then to these essential requirements of the troops being provided for, Government recognise that in the larger cantonments it is right and indeed necessary to apply methods of administration which shall be of a progressive character and consistent with Government's general policy in other departments of the administration. In many of the smaller cantonments of India no such question of reform arises. There are many small cantonments in which the civilian population is negligible in amount and consists almost entirely of persons engaged in occupations which are directly ancillary to the maintenance of the troops. In cantonments of this character representative institutions would be out of place and would, of course, be quite unworkable, but in the larger cantonments, where the ordinary conditions of civic life largely prevail, the Government desire to apply, subject to the safeguards which I have mentioned, municipal methods of administration and to make the cantonment authority a responsible local self-government body. I am confident that the principle by which Government has been guided in framing this measure will commend itself universally to this Assembly. I move therefore for leave to introduce the Bill.

The motion was adopted.

Mr. E. Burdon: Sir, I introduce the Bill.

Sir, I move:

"That the Bill be circulated for the purpose of eliciting opinion thereon."

The motion was adopted.

Mr. President: In view of other proceedings here this afternoon, I now propose to adjourn the House till to-morrow morning Eleven O'clock.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 27th March, 1928.

LEGISLATIVE ASSEMBLY.

Tuesday, 27th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

RESTORATION OF GRANTS.

641. ***Mr. K. C. Neogy:** Will Government be pleased to refer to my starred questions No. 40, dated the 6th September, 1922, and No. 76 of the 16th January, 1923, and to state the result of their examination of the extent of the authority of the Governor General in Council to instruct a Governor in regard to the exercise of his statutory powers for the restoration of grants rejected by the Local Legislative Council?

The Honourable Sir Malcolm Hailey: The examination of the question referred to by my predecessor is still proceeding.

Mr. K. C. Neogy: When did the process of examination begin and when is it likely to end?

The Honourable Sir Malcolm Hailey: It began, Sir, about the time that my predecessor made the statement; it will end, Sir, as soon as we have full time to give to a question so important. As the House will realise it is really quite impossible for us to take up questions of first class importance like this during the sittings of the Assembly.

Mr. K. C. Neogy: Do I take it that the Government of India did not go into this question before they actually issued instructions to the Governor of Bengal to restore certain grants which were refused by the local Council?

The Honourable Sir Malcolm Hailey: I can only say now that the question is one which needs further consideration.

CAPITAL EXPENDITURE ON RAILWAYS.

642. ***Mr. K. C. Neogy:** (a) With reference to the provision for capital expenditure for the Railways in 1923-24, will Government be pleased to state whether the Central Railway Advisory Council was consulted in regard to the different items of the expenditure proposals?

(b) What control, if any, is exercised by the Finance Department over proposals for capital expenditure on Railways?

Mr. C. D. M. Hindley: (a) The reply is in the negative.

(b) The Finance Department fix the total allotment to be made for capital expenditure on railways in each year, subject to the sanction of the Secretary of State and the vote of the Legislative Assembly, but do not

interfere in the distribution of the grant among the railways or as to the precise objects of expenditure on which the grant is spent. Their business, however, is to see that the total allotment is not exceeded without a supplementary vote, and also to scrutinise such projects as require the sanction of the Secretary of State, before that sanction is applied for.

GRANT FOR RAILWAY QUARTERS.

643. ***Mr. K. O. Neogy:** (a) With reference to the provision of Rs. 1 crore, 75 lakhs and odd made in the Railway Budget for 1923-24, for additional quarters for staff, will Government be pleased to state how much of the amount is likely to be spent for construction of quarters for European and Anglo-Indian employees, and how much for Indian employees, in the different railways?

(b) How much of the said amount is to be devoted towards construction of quarters for employees drawing a monthly salary of Rs. 50 and below?

(c) What will be the total approximate annual recovery in the shape of rent from the staff occupying these quarters; and what is estimated to be the rate of net annual return on the capital spent in the construction of these quarters after making allowance for depreciation and repairs?

Mr. C. D. M. Hindley (a), (b) and (c). The information asked for is not available.

Mr. K. O. Neogy: Do I take it that these details are never examined before provisions are made in the budget for such expenditure?

Mr. C. D. M. Hindley: The Honourable Member is not correct in making that assumption, Sir; they are examined, but they are not examined on the basis which this question indicates.

Mr. K. O. Neogy: With reference to sub-clause (c), is it a fact that no return is actually expected on the capital invested in the building of these quarters?

Mr. C. D. M. Hindley: No, Sir; it is not a fact.

DISMISSAL OF RAILWAY EMPLOYEES.

644. ***Mr. K. O. Neogy:** (a) Will Government be pleased to make a statement showing, Railway by Railway, the number of European and Anglo-Indian employees whose services have been dispensed with as a result of the "economy campaign" during the current year, referred to in paragraph 17 of the Explanatory Memorandum on the Railway Budget for 1923-24? What is the total annual saving effected thereby in each railway?

(b) Will Government be pleased to make a similar statement in respect of Indian employees whose services have been so dispensed with?

Mr. C. D. M. Hindley: The information in the detail asked for is not available. It can be collected only by special compilations by the different railways and the Government are reluctant to put Railway Administrations to this trouble.

ISSUE OF RAILWAY PASSES.

645. ***Mr. K. O. Neogy:** (a) With reference to the answer to starred question No. 446 (a) of the 5th March, 1923, to the effect that officers of the Railway Board are granted free passes over all railways in India subject to a limit of two passes per annum, will Government be pleased to state if it is a fact that the total number of passes issued to Railway Board's staff and staff of Accountant General, Railways, during the year 1922, was 277 for the First Class and 626 for the Second Class?

(b) What is the total number of officers of the Railway Board and the Accountant General, Railways, who are entitled to travel first and second class, respectively?

(c) Will Government be pleased to state why no money account is maintained of the passes and P. T. Os. issued to the said staff?

Mr. O. D. M. Hindley: (a) The rule in this connection is that one set of passes over State and Company-managed railways taken separately or combined and one set over State-managed railways only are allowed under an arrangement with the various railway administrations similar to that which exists between the administrations themselves by mutual agreement. A set of passes means passes to cover the return journey of the employee and his family and the family is allowed to travel separately. It is regretted that the expression used in the reply referred to was open to misinterpretation but it is the expression generally used in this connection. The numbers are as stated by the Honourable Member but I should explain that the rule referred to above does not apply to Gazetted Officers.

(b) 27 and 112.

(c) Government do not consider that any object would be served in expending the time and labour involved in compiling such an account.

VOTABLE ITEMS IN RAILWAY BUDGET.

646. ***M. K. Reddi Garu:** Will the Government be pleased to state whether it is the practice to place all new votable items of the Railway budget—capital as well as the revenue—before the Standing Finance Committee? If not, why not?

The Honourable Sir Basil Blackett: I would invite the attention of the Honourable Member to the statement made by the Honourable Sir Malcolm Hailey in this House on the 15th March, 1922, when a similar question was raised in the course of the discussion on the Demand for railways. As Sir Malcolm Hailey then pointed out, it is not possible to place all proposals for railway expenditure before the Standing Finance Committee. For instance, a large proportion of the expenditure on railways falls under the head of working expenses, and expenditure of that kind cannot be controlled by budget or the ordinary provisions relating to expenditure control. An undertaking was given, however, that all questions of expenditure relating to establishment would be laid before the Standing Finance Committee, and effect has been given during the year to that undertaking except in cases of lesser importance which can be disposed of by the Railway Department, under the ordinary powers delegated to them, without reference to the Finance Department.

RAILWAY EXPENDITURE ON EDUCATION.

647. *Mr. K. G. Bagde: Will the Government be pleased to state:

(i) Whether it is a fact that the E. I., A. B., G. I. P., B., B. and C. I., M. & S. M., S. I., B. & N. W., R. & K., N. W., O. & R. and E. B. Railways spent in 1921-22 the sum of Rs. 6,21,331 or thereabouts for helping education of the children of their European and Anglo-Indian employees and the sum of Rs. 96,446 or thereabouts for helping the children of their Indian employees?

(ii) The total number of the Europeans and Anglo-Indians and also the Indians employed by the said railways?

Mr. O. D. M. Hindley: (i) The reply is in the affirmative.

(ii) The information will be found in Appendix 23, Volume II, of the Indian Railway Administration Report for 1921-22.

RAILWAY HILL SCHOOLS.

648. *Mr. K. G. Bagde: Will the Government be pleased to state:

(i) Whether it is a fact that schools are maintained in the hills by some of these railways for the special benefit of the children of their European and Anglo-Indian employees?

(ii) And if so, what is the total capital expenditure incurred for such institutions up to now; and further what are the annual recurring charges borne by the railways in this behalf; and

(iii) Under what head in the Railway Accounts are the above different items of expenditure shown?

Mr. O. D. M. Hindley: (i) There is one such Boarding School maintained in the hills, namely, the East Indian Railway Oak Grove School, Mussoorie.

(ii) At the end of 1921 the construction account of the School stood at Rs. 8,07,000. The total recurring expenditure for that year was Rs. 2,85,250 met as follows:

	Rs.
By fees	1,36,888
By interest on the endowment fund	7,000
By grant in aid from the United Provinces Government	28,000
By contributions from the various railways whose employees' children attend the school	1,13,362

(iii) The money charged to the construction account has been contributed from time to time from the East Indian Railway Fine Fund, the East Indian Railway and North-Western Railway, Capital and Revenue, and from other miscellaneous sources. The property is vested in the Secretary of State. The portion of recurring charges met by Railway is brought to account as part of the working expenses of the railway concerned in the Revenue Account, Abstract "G" Special and Miscellaneous Expenditure.

EXPENDITURE ON COUPE COMPOSITES.

649. *Rai Bahadur G. O. Nag: Are there any proposals for increasing any expenditure on Coupe composites on any other railways during the

year 1923-24? Why is the A. B. Railway going to provide coupe composites on its lines? Did this suggestion for providing such a class of carriages come from the tea planters of Assam?

Mr. O. D. M. Hindley: Government have no exact information as to the extent to which the various railway administrations are providing coupe accommodation in the ensuing year but presume that the particular case referred to is an indication that the Assam-Bengal Railway is acting on a suggestion made by the Railway Board that some compartments should be provided which can be reserved for passengers who desire to travel with their families particularly in the lower classes of accommodation. The suggestion did not come from the tea planters in Assam.

Sir Deva Prasad Sarvadhikary: May I ask a supplementary question, Sir? Has there not been a suggestion made to the Railway Board that these coupes, particularly in the lower classes, should be extended as far as possible, for the benefit of those who use these classes when travelling with their families?

Mr. O. D. M. Hindley: Yes, Sir. That suggestion was made to the Railway Board, they have acted upon it and have made a strong suggestion to that effect to the Railways. This action of the Assam-Bengal Railway is in consonance with the course which was then suggested.

EXPENDITURE ON B.-N. RAILWAY STOCK.

650. ***Rai Bahadur G. C. Nag:** (a) Is it a fact that on the B. N. Railway the proportion of third class passengers to total passengers per train during 1920-21 was 94 per cent. and that of first class was 1 and of second class 3?

(b) Is it true that while this railway proposes an expenditure of Rs. 2,93,000 on pure third class carriages, while a sum of Rs. 87,000 is provided by it for expenditure on touring saloons? For whose benefit are the touring saloons being provided?

Mr. O. D. M. Hindley: (a) The percentages given by the Honourable Member may be accepted as approximately correct.

(b) The provision for coaches for third class only is Rs. 11.73 lakhs and that for touring saloons is Rs. 0.87 lakhs. These touring saloons or tourist cars are required for public traffic.

ELECTRIFICATION AT LUMDING.

651. ***Rai Bahadur G. C. Nag:** Is it true that there is a proposal for electrification at Lumding (A. B. Railway) at a cost of about Rs. 2½ lakhs?

Mr. O. D. M. Hindley: The reply is in the affirmative.

ELECTRIFICATION OF COACHING STOCK OF A.-B. RAILWAY.

652. ***Rai Bahadur G. C. Nag:** Is there a proposal also for electrification of coaching stock of the A. B. Railway at a cost of 2 lakhs?

Mr. O. D. M. Hindley: There is a provision of Rs. 2 lakhs for equipping some of the coaching stock on the Assam-Bengal Railway with electric light in place of gas. This is desirable in the interest of public safety and is in accordance with the general policy on all railways.

DEPRECIATION OF FLOUR MILLS.

653. ***Bhai Man Singh:** 1. Will the Government be pleased to state on an average of how many hours a day is the rate of depreciation of flour mills, etc., fixed at $6\frac{1}{2}$ per cent. on prime cost for the purposes of Income-Tax Act under rule No. 8 of the Indian Income-Tax Rules printed on pages 41—44 of the Income-Tax Manual, 1922?

2. Will the Government be pleased to state whether the mills working much more, say double than the average hours, are entitled to double depreciation under the said rule?

3. If not, is the Government prepared to reconsider the matter and make the rule more equitable by fixing depreciation rates according to the working hours?

4. Will the Government be pleased to state the considerations that led to fixing this average?

The Honourable Sir Basil Blackett: I refer the Honourable Member to the reply I gave to question No. 451 at a meeting of the Legislative Assembly on the 5th March, 1923. The Government are not prepared to alter the depreciation rates until statistics are forthcoming showing that the rates at present fixed are unsuitable.

SIKH HOLIDAYS.

654. ***Bhai Man Singh:** 1. Will the Government be pleased to state how many Sikh holidays are allowed in the Post and Telegraph offices in India or in the Punjab, Sind and United Provinces of Agra and Oudh?

2. Is the Government aware that Guru Nanak's birthday and Guru Gobind Singh's birthday are the festivals universally observed by the Sikhs and they are all declared as general holidays by the Punjab Government and the High Court, Lahore?

3. Is the Government considering the question of declaring these Sikh festivals as general holidays in the Post and Telegraph offices, and under the Negotiable Instruments Act?

Colonel Sir Sydney Crookshank: (1) A reference is invited to clause 2 of the Post and Telegraph Guide which contains a list of all the holidays observed in the Department.

(2) Yes.

(3) No.

FIRMS OF ACCOUNTANTS FOR INCOME-TAX ACCOUNTS.

655. ***Bhai Man Singh:** 1. Is the Government aware that the Income Tax Commissioner, Punjab, has approved the following three firms of Accountants for the preparation of Profit and Loss statement for Income-tax purposes:

(a) Messrs. Nisson Dignesse & Co.

(b) Messrs. Basant Lall & Son.

(c) Messrs. Aiyar & Co.

2. Is the Government aware that the majority of Indian firms in the Punjab keep their accounts in Hindi or Gurmukhi?

3. Is it a fact that none of the members of the above approved Accountants' firms know Gurmukhi or Hindi nor do they undertake to audit accounts in Hindi or Gurmukhi?

4. Is the Government aware that the inability of all the approved Accountants in Punjab to audit Hindi or Gurmukhi accounts has led to great inconvenience to those firms who keep their accounts in Hindi or Gurmukhi?

5. Will the Government be pleased to state the considerations on which approval is extended to the practising firms of certified and chartered accountants?

6. Will the Government be pleased to state the consideration which led to the exclusion of Messrs. Sodhbans & Co. of Lahore, the only Sikh and the only Gurmukhi and Hindi knowing firm of certified accountants in the Punjab from the list of approved accountants?

The Honourable Sir Basil Blackett: I would refer the Honourable Member to the reply given to question No. 452 at a meeting of the Assembly on the 5th March, 1923.

EXPENDITURE ON E. I. RAILWAY STOCK.

656. ***Rai Bahadur G. C. Nag:** (a) Is it true that on the E. I. Railway a sum of over 4 lakhs has been sanctioned for "betterments" of upper class stock for 1923-24, and a sum of over 3 lakhs is provided for betterments of motor vans, whereas no expenditure is proposed under the head of "Betterments" or "Renewals"—"Sanctioned" of third class carriages?

(b) Is it a fact that out of an average of 248 passengers per train, 223 or 90 per cent. are third class passengers? Will the Government kindly ascertain from the railway concerned why no expenditure is proposed for "betterments" of third class carriages?

Mr. C. D. M. Hindley: (a) The additional upper class stock and motor vans mentioned were sanctioned as betterments during 1922-23 and have been carried forward into 1923-24.

(b) The reply to the first part of this question is in the affirmative. It is not a fact that no provision has been made for "betterments" of third class carriages for which Rs. 19 lakhs have been allotted against 1923-24.

EXPENDITURE ON S. I. RAILWAY STOCK.

657. ***Rai Bahadur G. C. Nag:** Is it a fact that S. I. Railway has got Rs. 6,67,000 sanctioned for bogie coaches of sorts under "Betterments"? How much of this is to be spent on the upper classes (1st, 2nd and tourist) coaches, and how much on third class?

Mr. C. D. M. Hindley: The answer to the first part is in the affirmative. The information asked for in the second part is not available but will be obtained and supplied to the Honourable Member.

ADMISSION TO ENGINEERING SERVICE, E. I. RAILWAY.

658. ***Rai Bahadur G. C. Nag:** (a) Has the attention of the Government been drawn to a notice, dated 12th December 1922, issued over the name of Mr. G. L. Colvin, Agent, East Indian Railway, regarding examination

for selection of Anglo-Indian, European and Indian Apprentice Inspectors and Draftsmen for employment in the Engineering Department, East Indian Railway, which stated that sons of East Indian Railway employees and boys educated at Oakgrove School would have preference among those who passed a satisfactory examination?

(b) Does the Oakgrove School admit sons and boys of the Railway employees of pure Indian descent? If the answer is in the affirmative, will Government kindly supply the number of such boys now on the roll of that school? If the answer is in the negative, will Government kindly state why the boys belonging to a particular community should have preference over boys of other communities in the Engineering Service of this particular railway?

Mr. C. D. M. Hindley: (a) and (b). Government have seen the notice from which they gather that there is no preference for a particular community. As regards Indians, sons of East Indian Railway employees will have preference. As regards Europeans and Anglo-Indians two criteria will be applied. First, that they are sons of East Indian Railway employees and secondly, that they have been educated at the railway's School at Mussoorie.

MEDICAL SERVICES ON RAILWAYS.

659. ***Rai Bahadur G. C. Nag:** (a) Are there any Indians in service in the Medical Department of the East Indian Railway? If so, how many are there?

(b) What is the total number of Medical officers, *e.g.*, Chief Medical Officers, District Medical Officers, and Civil Surgeons in the employment of the railway classified according to nationality?

Mr. C. D. M. Hindley: The information asked for by the Honourable Member is being collected and will be sent to him in due course.

ISSUE OF RAILWAY TICKETS.

660. ***Babu Baidyanath Prasad Sinha:** (a) Is the Government aware of the fact that there is great inconvenience to third class passengers in purchasing tickets on account of the Booking Clerks issuing the tickets only a few minutes before the arrival of trains?

(b) Do the Government propose to issue instructions to the Railway authorities in this connection?

Mr. C. D. M. Hindley: (a) and (b). The Honourable Member is referred to the answers given in this Assembly to the following questions asked on the same subject:

- (1) Questions Nos. 633 and 635, asked by Rai Bahadur Pandit Jawahar Lal Bhargava on the 26th September, 1921.
- (2) Question No. 237, asked by Khan Sahib Maulvi Abdul Quadir on the 6th February, 1922.

INCONVENIENCES TO THIRD CLASS PASSENGERS.

661. ***Babu Baidyanath Prasad Sinha:** (a) Is the Government aware of the fact that there is great inconvenience to third class passengers on account of their not being permitted to go to the railway platforms

directly after they purchase tickets and that at many stations they have to wait long in enclosures before the gates to the platforms are opened for them?

(b) Do the Government propose to issue instructions to the Railway authorities to admit the passengers to the platforms at once when they are in possession of tickets and that they must not be kept waiting in enclosures?

Mr. C. D. M. Hindley: (a) and (b). Government are not aware that great inconvenience is caused to 3rd class passengers owing to their not being allowed on the platform as soon as they have purchased their tickets. It is not possible to lay down any hard and fast rule in this matter. It is the usual practice to admit passengers to the platform in ample time for the train, but the amount of platform space available, the density of traffic, and the safety of the passengers themselves must determine the period they may occupy the platform.

INSUFFICIENCY OF SEATING ACCOMMODATION ON RAILWAYS.

662. ***Babu Baidyanath Prasad Sinha:** (a) Is the Government aware of the fact that there is not sufficient supply of benches or other seating accommodation on first class railway station platforms and in the third class passenger waiting rooms?

(b) Do the Government propose to order the Railway authorities to make arrangements for their supply as soon as possible?

Mr. C. D. M. Hindley: (a) Government have no special information on the subject.

(b) The matter is within the competence of Railway Administrations but I may inform the Honourable Member that the question of the provision of benches or raised seating accommodation in third class waiting halls at important stations has already been brought to their notice.

OVERCROWDING IN THIRD CLASS CARRIAGES.

663. ***Babu Baidyanath Prasad Sinha:** (a) Is the Government aware of the fact that there is great overcrowding in third class compartments in through trains?

(b) Do the Government propose to order more through trains to run up and down so as to remove the inconvenience of third class passengers?

Mr. C. D. M. Hindley: (a) and (b). The Honourable Member is referred to paragraphs 85 to 88, Chapter VIII of the Administration Report, on Indian Railways, 1921-22, Volume I, copies of which are available in the Library.

RAILWAY TECHNICAL SCHOOLS.

664. ***Babu Baidyanath Prasad Sinha:** (a) Will the Government be pleased to say how many technical schools there are in connection with locomotive, carriage and wagon workshops at different railway centres where Indians are trained as mechanics and mechanical engineers?

(b) If there are not anywhere Indians receiving training as mechanics do Government propose to take any action in the matter?

Mr. C. D. M. Hindley: I would refer the Honourable Member to paragraph 34, Volume I, of the Administration Report on Indian Railways, 1921-22.

LOCAL ADVISORY COUNCILS.

665. ***Babu Baidyanath Prasad Sinha:** (a) Will the Government be pleased to say when the Local Advisory Councils recommended by Acworth Committee will be established?

(b) Will the Government be pleased to define their functions and to publish the scheme for public criticism before it is finally adopted?

Mr. C. D. M. Hindley: The Honourable Member is referred to the reply given to starred question No. 376 on 19th February, 1923. Since that reply was given, the Oudh and Rohilkhand Railway Administration has established a Local Advisory Committee.

FUNCTIONS OF DIRECTOR GENERAL, INDIAN MEDICAL SERVICE.

666. ***Mr. K. O. Neogy:** (a) What is the relation of the Director General, Indian Medical Service, to the Indian Medical Service as a service, i.e., is he the head of both the civil and the military sides or of the civil side only?

(b) If he is head of the military side also, in what respect does he function as regards appointment, transfer and promotion of Indian Medical Service officers?

Mr. E. Burdon: (a) The Director General, Indian Medical Service, is the head of the entire Indian Medical Service, both military and civil.

(b) Officers of the Indian Medical Service in military employ are under the immediate orders of the Adjutant-General in India so far as questions of appointment and transfer are concerned. All promotions are made by the Government of India on the advice of the Director General, Indian Medical Service.

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member tell me whether the Director, Medical Services, has any control over this department?

Mr. E. Burdon: Not the service as a whole?

Lieut.-Colonel H. A. J. Gidney: May I know in what capacity the control is?

Mr. E. Burdon: He has the usual control over those serving under him.

INDIAN MEDICAL SERVICE OFFICERS.

667. ***Mr. K. O. Neogy:** (a) Is it a fact that there are six Indian Medical Service Major-Generals appointments out of which four are allotted to the civil side and two to the military?

(b) Is it a fact that the two Major Generals' appointments on the military side are held by officers transferred from the civil side?

(c) Is it a fact that there are 16 Indian Medical Service Colonels appointments, out of which 10 are on the military and six on the civil side? How many out of the 10 military Colonels appointments are at present held by officers transferred from civil department?

Mr. E. Burdon: (a) and (b). Yes.

(c) The answer to the first part of the question is in the affirmative. As to the second part, 3 of the 10 Colonels now employed on the military side spent a portion of their service in civil employment, and were so employed when reverted to military duty on promotion to their present rank.

PROMOTIONS IN INDIAN MEDICAL SERVICE.

668. ***Mr. K. C. Neogy:** Is it a fact that when a vacancy occurs in the administrative grade of the Indian Medical Service on the civil side it is invariably filled up by promotion of junior officers on the civil side, passing over much senior officers of the service in the military department?

Mr. E. Burdon: No. The claims of all officers, whether serving on the military or the civil side, are considered for such appointments.

Mr. Ahmed Baksh: Is it a fact, Sir, that an Indian officer holding a military appointment was recommended, by the United Provinces Government to be made Inspector General, Civil Hospitals, and his claims were overlooked because he was serving on the military side?

Mr. E. Burdon: I should like to have notice of that question.

Lala Girdharilal Agarwala: Is it Colonel Kampta Pershad of the United Provinces?

Mr. E. Burdon: I cannot tell you. I do not know.

TRANSFERS FROM MILITARY TO CIVIL IN INDIAN MEDICAL SERVICE.

669. ***Mr. K. C. Neogy:** (a) Is there a law or regulation laying down the exact time of service when an Indian Medical Service officer may be transferred from military to the civil side?

(b) Is there a law or regulation laying down that an Indian Medical Service officer may be transferred and promoted to higher grade from civil to the military side, and that similar transfer may not take place from the military to the civil side?

(c) Will the Government be pleased to state as to who is responsible for this one-sided arrangement, the Director General, Indian Medical Service, as head of the Indian Medical Service or as head of the civil side?

(d) Is it a fact that there is no Major General's appointment on the military side of the Madras cadre and if the practice referred to in question (b) is to hold good, then is it intended that military officers on that cadre should not rise above the rank of Colonel?

Mr. E. Burdon: (a) No.

(b) No.

(c) In view of the replies I have just given, this question does not arise.

(d) The Honourable Member is mistaken in assuming that there is a military cadre for Madras. In view of the answer given to part 4 (b) above, the latter part of this question does not arise.

FAILURES IN INDIAN MEDICAL SERVICE.

670. ***Mr. K. C. Neogy:** Is it a fact that the Esher Committee had attributed the failure of the Indian Medical Service in the great war to the fact of the officers being too long in the civil employ in consequence of which they deteriorate from point of view of military efficiency?

Mr. E. Burdon: The Indian Medical Service was not a failure during the Great War, and the Esher Committee did not assert that it failed. I presume that the Honourable Member is referring to the passage in which the Esher Committee endorsed a military opinion expressed to them that the Royal Army Medical Corps, owing to its superior organisation and military training in peace time, and certain other causes, had proved itself on the administrative side more efficient in the field than the Indian Medical Service. It was admitted, on the other hand, that the officers of the Indian Medical Service were quite as efficient professionally as the Royal Army Medical Corps.

Lieut.-Colonel H. A. J. Gidney: Can the Honourable Member tell the House what the recommendations are that are going to be adopted by the Esher Committee?

Mr. E. Burdon: No, Sir.

SELECTION OF POSTS IN INDIAN MEDICAL SERVICE.

671. ***Mr. K. C. Neogy:** The medical being a transferred subject, is the selection for civil administration posts made by the Provincial Government or by the Director General, Indian Medical Service?

Mr. E. Burdon: The Director General, Indian Medical Service, is not consulted about the ordinary postings of Indian Medical Service officers in civil employ. These are made by the Local Government.⁴ The Director General, Indian Medical Service, is consulted when the services of an officer outside the provincial cadre are required.

MARRIAGE ALLOWANCE IN R. A. M. C.

672. ***Lieut.-Colonel H. A. J. Gidney** (i) Is it a fact that while a marriage allowance has been sanctioned for the personnel of the R. A. M. C., a similar concession has been refused to members of the Indian Medical Department?

(ii) Is it a fact that while Indian Medical Department officers stationed at Quetta receive a free allowance of 20 pounds of coal a day, R. A. M. C. corporals in the same station get a free issue of 80 pounds a day?

(iii) What is the reason for this difference of treatment?

Mr. E. Burdon (i) The grant of marriage allowance to members of the Indian Medical Department has not, so far, been refused. The question is still under consideration, and it is hoped that a decision will shortly be arrived at.

(ii) and (iii) The Government of India have no information on the subject but are inquiring. I will inform the Honourable Member of the result in due course.

Lieut.-Colonel H. A. J. Gidney: In the list of questions which I submitted to the Legislative Department, there were two others included, Sir, and I have heard no explanation as to why they have not been answered. May I ask the Honourable Member to inform me?

The Honourable Sir Malcolm Hailey: The practice is that the Government of India as such is cognisant only of questions which are admitted under the orders of the President; these are the questions that are answered.

UNSTARRED QUESTION AND ANSWER.

IMPROVEMENTS TO STOCK ON A.-B. RAILWAY.

258. Rai Bahadur G. C. Nag (a) Is it true that the estimates for improving third class carriages and Coupe composites of the A. B. Railway amount respectively to Rs. 8,53,000 and Rs. 5,83,000, and during 1923-24 a proportionately larger expenditure is proposed to be incurred on the latter than on the former? Will Government ascertain from the railway concerned the reasons for this differential treatment?

(b) Is it not a fact that during 1920-21, third class passengers accounted for 96 per cent. of the total passenger traffic on this railway?

Mr. C. D. M. Hindley: (a) The amounts provided during 1923-24 against the two estimates mentioned are for completion of the work and therefore no question of differential treatment arises. Further provision has been made against 1923-24 to the extent of Rs. 6·7 lakhs for additional third class carriages and Rs. 2·2 lakhs for upper class stock.

(b) The reply is in the affirmative.

MESSAGES FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, two Messages have been received from the Secretary of the Council of State as follows:

"I am directed to inform you that the Council of State have, at their meeting of the 26th March, 1923, agreed without any amendments to the Bill for the removal of doubts regarding the right of women to be enrolled and to practise as legal practitioners, which was passed by the Legislative Assembly on the 22nd March, 1923."

The second Message is as follows:

"I am directed to inform you that the amendments made by the Legislative Assembly in the Bill to consolidate certain enactments relating to Merchant Shipping, were taken into consideration by the Council of State at its meeting of the 26th March, 1923, and that the Council has agreed to the amendments."

BILL LAID ON THE TABLE.

Secretary of the Assembly: Sir, in accordance with Rule 25 of the Indian Legislative Rules I lay on the table the Bill to provide for the forfeiture of the estates and other property of Mahendra Partab Singh and for their grant to his son, subject to certain conditions, which was passed by the Council of State on the 26th March, 1923.

AMENDMENT OF STANDING ORDERS.

Mr. President: I present the Report of the Select Committee on the amendment of the Standing Orders.

ELECTION OF MEMBERS TO PUBLICITY ADVISORY COMMITTEE.

The Honourable Sir Malcolm Hailey (Home Member): Sir, I beg to move:

"That this Assembly do proceed to elect, in such manner as the President may direct, seven Members to the Advisory Committee to assist in the conduct of the publicity work of the Government of India."

As is well known to the Members of the Assembly, we have at present a nominated Advisory Committee for Publicity matters for whose services I think we and the Assembly are under a great obligation. Lately the question of the constitution of the Committee was re-examined by a sub-committee appointed, and they advised that a change should take place, namely, that seven members of the Committee should be elected by the Members of this Assembly, two by the Members of the Council of State, and six should be nominated by Government of whom three would be representatives of the press, and that Government should appoint a Chairman of the Committee. Therefore, except for the Government nominations, the bulk of the Committee would be elected instead of being, as at present, nominated. The functions of the Committee would be to advise Government in regard to its publicity work and to draw up the budget dealing with publicity work. These are the main functions. All I seek at present, is to ask the House to approve of the election of some seven of its Members to serve on this Advisory Committee, the election being held in such manner as you, Sir, may direct.

The motion was adopted.

THE EXCLUSION FROM INHERITANCE BILL.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, I beg to move:

"That the Report of the Select Committee on the Bill to amend the Hindu Law relating to exclusion from inheritance of certain classes of heirs and to remove certain doubts, be taken into consideration."

Sir, I do not propose to make any long speech on this occasion. The object of my measure is to remove the disqualification set forth in one of the texts of Manu which says that certain persons who have some defects from their birth or who suffer from certain diseases, should be excluded from inheritance. Already, as regards one portion of it, there has been legislation at the instance of the Government. So long ago as 1850, in the Act known as the Caste (Removal of Disabilities) Act, a portion of this text was legislated upon and the disqualification relating to exclusion from inheritance by having become a convert was removed. I am trying, Sir, by this Bill to remove the other disabilities which are mentioned in the subsequent portion of the same text. I explained the matter more fully on the last occasion. Therefore it is not necessary to say much. There is only one matter to

which I should like to refer, and that is this, that there has been different interpretations upon the words in the text which says that the defect should be from birth. Whether the words "from birth" qualify all the clauses or whether it applies only to a particular class of cases is a matter upon which the Courts have taken different views. When the matter was before the Select Committee, Sir, they examined the matter very fully and their Report shows that all possible attention was given to the various contentions raised on this matter. They have made a recommendation, Sir, on one matter on which I should like to say a word. They say that the Bill should not be taken into consideration in the event of Bengal being included in the Bill. The reason is that when I originally introduced the Bill I excluded Bengal, and they say, if Bengal is to be included, there should be republication. It is for this House to say in the first place whether Bengal is to be excluded, and, if Bengal is to be excluded, then the recommendation of the Select Committee that the Bill be taken into consideration may be accepted by this House. But in the event of this House coming to the conclusion that Bengal should be included, this House will have to decide whether it is not necessary to republish the Bill and whether we may proceed to consider the Bill. As regards other matters, I made a number of speeches on previous occasions and I do not like to weary the House any further. I move, Sir, that the Bill be taken into consideration.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): With great regret, Sir, I beg to move:

"That the consideration of this matter be deferred."

Sir, this is the last day when we are going to be detained here and from the listless way in which my Honourable friend's remarks have been received in this Assembly, Honourable Members will gather that their minds are pre-occupied with the serious crisis which has arisen in the constitution to-day. Sir, we want to meet and decide as to what further course of action we should take. My object in moving this motion for postponing the consideration of this measure is that the rest of the day may be available to the Non-Official Members of this Assembly for concerting such measures as may be taken constitutionally to prevent the certification procedure which His Excellency the Governor General proposes to take. In that view I hope Honourable Members will support me in this motion. I do not think this is the time for us to spend on this child's play, legislating on this and on that when we have got serious constitutional questions at issue. Sir, these measures may wait. They have waited so long. I do not think I shall be doing any injustice to my Honourable friend—I am sorry I have to do it—I do not think I shall be doing any injustice to my Honourable friend by making this motion. On the other hand, I hope that all other Members whose motions stand on the list to-day will join with me in making this application to the House, so that we may have the rest of the short hours that we have at our disposal to decide what course of action we should take. Sir, I move the postponement of the consideration of this measure.

Mr. President: I am not sure that I can accept a dilatory motion in the circumstances, except in the form of re-circulation, which is on the paper. As the Honourable Members are aware, a dilatory motion virtually means that the Bill cannot be passed. I think it would be unfair on the part of the Chair at this stage to accept a dilatory motion of that character.

Rao Bahadur T. Rangachariar: If I put myself in order, Sir, I will propose the motion that it be recirculated.

Mr. President: The original question was :

"That the Bill be taken into consideration."

Since which an amendment has been moved :

"That the Bill be re-circulated for the purpose of obtaining opinion thereon."

Sir Deva Prasad Sarvadhiary (Calcutta: Non-Mulammadan Urban): Sir, I beg to support the motion, though not exactly on the grounds that have been put forward by Mr. Rangachariar. If Members have other duties, they must find other time for it, and if it is right for us to go on with this Bill, we should go on apart from the considerations of expediency that have been put forward. I do not know how Bengal came to be included within the purview of the Bill. It was not included in the original Bill. Bengal certainly objects to being included. I believe Assam also does so. So far as the tracts governed by the Dayabhaga School of Hindu Law are concerned, they have enough reason against the Bill. There are other reasons which may be gone into later. For the present I support the motion for re-circulation.

Mr. J. N. Mukherjee (Calcutta Suburbs: Non-Muhammadan Urban): Sir, I beg to have a ruling from the Chair as to whether after this motion, which has just been made regarding consideration of the reasons underlying the Bill, other people who have given notice of motions that the Bill be re-circulated, will be heard or not. If that be so, Sir, and they be heard, of course we need not go into the question of consideration of principles, at this stage. As to the defects in the report of the Select Committee, I may submit to the House that there is a difference of opinion as to what class of persons should be excluded, and there are various other reasons which arise in connection with the question for re-circulation.

Mr. President: I am not quite sure that I appreciate the Honourable Member's point of order. Two questions have already been put from the Chair, one in the form of an amendment to the other. I shall again put these questions when this debate comes to an end. The House will first of all decide whether the Bill be re-circulated or not, and if not, then whether it be taken into consideration.

Mr. J. N. Mukherjee: For instance, Sir, what would be my own position? I have given notice of a motion for re-circulation. It is as those standing in the name of others. (*A Voice*: "Do you support or oppose the motion?") I support. There are other reasons besides those already given. This is my submission, and if the House is disposed to hear me on these points, I am prepared to urge them. The first point as to the report of the Select Committee, to which I invite the attention of the House, is the nature of the report itself. My Honourable friend, Mr. Rangachariar says in his note of dissent in the Select Committee's report that the meetings of the Select Committee were convened in a very irregular manner. In fact, many of the Members could not be present, and in a matter of such great importance, where for the first time a new principle is going to be enunciated, or rather no principle is going to be enunciated in violation of the principles which find favour in the Hindu Smritis in a matter of such grave importance, a systematic and well-considered opinion was not attempted to be obtained. In the second place, my submission to the House is that this Bill does not stand by itself. In this connection I may be permitted to refer the Honourable Members to certain passages in the opinions which have been circulated to us. Apart from the other questions that it was

treated throughout as a purely administrative measure and so on, the opinions of religious heads of Hindus who are primarily concerned in this matter, apart from their holding any position as Members of an Association—of a Bar Association, I mean to say, not any other Hindu Association—or any official position, were never obtained.

Mr. T. V. Seshagiri Ayyar: You are wrong. I can show you the contrary.

Mr. J. N. Mukherjee: I put a question in the Assembly and the reply to it was as follows. My question was put on the 10th March, 1923. It was:

“Will Government be pleased to state what Hindu associations, religious heads of institutions, representative Hindus of the orthodox communities, and other prominent persons and associations outside the Hindu community were consulted by them with a view to obtain their opinion on the following Bills?”

and amongst the Bills mentioned was Mr. Seshagiri Ayyar's Bill for alteration of the Hindu Law of Inheritance. The reply given was:

“The Honourable Member is no doubt aware that no motions were made in this Chamber for the circulation of these Bills for opinions. In order, however, to enable Government to come to a conclusion as to the attitude to be adopted by them towards the Bills, the Government of India circulated them inviting the opinions of Local Governments and Administrations, the High Courts, Chief Courts and Judicial Commissioner's Courts, the Bar Associations and such other authorities as the Local Governments thought fit to consult.”

These are the classes of associations and persons who were consulted in this matter. Now, under cover of a private Bill, as the Honourable the President is fully aware, a matter of grave public importance is going to be introduced by the Bill for legislative treatment. Of course, a great deal of the present situation is due to our ignorance of the exact procedure that obtains in Parliament in such matters, where under cover of private Bills questions affecting the public at large are attempted to be introduced, and I shall presently draw the attention of the House to that aspect of the question. But for the present I should like to invite the attention of Honourable Members to page 13 of the printed notes which were circulated to the Members. Here is one, from Mr. V. M. Ferrers, District Judge of Canara. This is what he says, and his observations seem very pertinent to me:

“Being myself much addicted to a religion of my own, I observe with recurring surprise the readiness of some Hindus and some Muhammadans to submit their sacred law to the manipulations of a secular Legislature.”

Then he goes on to say:

“In my own opinion these operations are perilous. A proposal for the reformation of an ancient faith may seem attractive and liberal; but to such a process there is no end. The theory of the Hindu Law is (I believe) similar to the theory of every other religion. The revelation once delivered by the Rishis is the very Dayspring from on high. It may be too dazzling to be clearly seen. It cannot possibly be in need of correction. When the navigator”

Mr. President: Order, order. That quotation is hardly relevant to this question. The Honourable Member is supporting the motion asking for further opinion on the ground, presumably, that the Select Committee in considering the Bill was not fully scised of the issues before it. The issue is quite narrow.

Mr. J. N. Mukherjee: What I was going to submit to the Honourable Members of this House is that, I should like to point out in the first place the gravity of the present situation. As I have already submitted to the House, in matters of this kind, perhaps in another place, in the Mother of Parliaments, this procedure which has been taken would not have been allowed. We are on the brink of a great

Mr. President: Order, order. The Honourable Member will see that he could repeat that speech word for word on the motion that the Bill be considered. These are arguments for considering or not considering the Bill. The issue now is whether the House and the Select Committee had sufficient materials before them to pass a judgment which this House ought to endorse or not. That is the sole issue.

Mr. J. N. Mukherjee: I can understand it. Sir, and I will address myself to that point, but it is so very difficult to detect one aspect of the question from another because they are parts of the same point. But if we have to classify the two parts of the argument, I must say that so far as recirculation of the Bill is concerned, my observations end there. Only official bodies and administrations, and Bar Associations and similar societies were consulted. Now, the second point in this connection is that the report of the Select Committee itself contains sufficient materials to enable the House to come to the conclusion that the Bill was not properly considered. Mr. Rangachariar, as a Member of the Select Committee, says:

"I have in the first place to place on record my protest against the way in which the Select Committee meetings on this important measure were convened, cancelled or held. The first meeting was convened for Wednesday the 21st February to be held after the Assembly rises for the day"

Mr. President: Again the Honourable Member is entitled to put forward these arguments on a motion that the Bill be re-committed to the Select Committee. These are arguments to show that the Select Committee did not discharge its duty properly. There is a motion for re-submitting the Bill to the Select Committee and I must protect the discussion of that motion.

Mr. J. N. Mukherjee: But, Sir, if these points be taken together, that is to say, the want of full consideration, and along with that, what I have already submitted, viz., that public opinion from the religious heads and other people who can speak authoritatively on the point has not been elicited,—if these two be taken together, a good case for re-circulation would be made out. I move, Sir, that the Bill be re-circulated for obtaining opinion thereon rather support such a motion.

Mr. T. V. Seshagiri Ayyar: May I say a word? I can understand a motion that the Bill be scrapped, but the motion that this Bill be re-circulated, I think, ignores the steps that I have taken to get the opinions of as large a number of people in India as is possible. I shall tell you in a minute what I did. I was not content with the Government circulating the papers. What I did was this. I had about 2,000 copies of the Bill printed and with a copy of the Statement of Objects and Reasons I sent a copy to every religious head in this country, to every Member of the Legislature, whether it be the Central Legislature; or the Provincial Legislatures. I addressed every Bar Association throughout the length and breadth of India, I sent copies to every newspaper in India, and I addressed specially an article, to two important orthodox

papers and asked those newspapers to invite opinions from orthodox gentlemen. I have done all that is possible because I did not want to hurry this matter through. In these circumstances to say that full opinion has not been obtained and therefore the Bill ought to be re-circulated, I cannot understand. I can understand an honest motion that this Bill be not proceeded with, because the House does not want this Bill, but to say that every step has not been taken to get the opinions of as many people as are competent to give it is a thing which cannot be said in the case of my Bill.

Mr. President: The original question was:

"That the Report of the Select Committee on the Bill to amend the Hindu Law relating to exclusion from inheritance of certain classes of heirs and to remove certain doubts, be taken into consideration,"

Since which an amendment has been moved:

"That the Bill be re-circulated for the purpose of eliciting opinion thereon."

The question that I have to put is that the Bill be re-circulated.

The Assembly divided.

AYES—20

Ayyangar, Mr. M. G. M.
Bhargava, Pandit J. L.
Hussanally, Mr. W. M.
Jafri, Mr. S. H. K.
Jannadas Dwarkadas, Mr.
Mudaliar, Mr. S.
Mukherjee, Mr. J. N.
Neogy, Mr. K. C.
Pyari Lal, Mr.
Rangachariar, Mr. T.

Samarth, Mr. N. M.
Sarvadhikary, Sir Deva Prasad.
Singh, Babu B. P.
Sinha, Babu Ambica Prasad.
Sohan Lal, Mr. Bakshi.
Srinivasa Rao, Mr. P. V.
Subrahmanayam, Mr. C. S.
Tulshan, Mr. Sheopershad.
Vishindas, M. H.
Webb, Sir Montagu.

NOES—37.

Abdul Majid, Sheikh.
Abdul Qadir, Maulvi.
● Abul Kasem, Maulvi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Ahmed, Mr. K.
Ahmed Baksh, Mr.
Akram Hussain, Prince A. M. M.
Allen, Mr. B. C.
Asjad-ullah, Maulvi Miyan.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Basu, Mr. J. N.
Bhanja Deo, Raja R. N.
Bridge, Mr. G.
Dalal, Sardar B. A.
Ghulam Sarwar Khan, Chundhuri.
Gidney, Lieut.-Col. H. A. J.
Gulab Singh, Sardar.

Haigh, Mr. P. B.
Jatkar, Mr. B. H. R.
Lakshmi Narayan Lal, Mr.
Latthe, Mr. A. B.
Mahadeo Prasad, Munshi.
Man Singh, Bhai.
Misra, Mr. B. N.
Mitter, Mr. K. N.
Muhammad Hussain, Mr. T.
Muhammad Ismail, Mr. S.
Nag, Mr. G. C.
Percival, Mr. P. E.
Reddi, Mr. M. K.
Sams, Mr. H. A.
Sarfaraz Hussam Khan, Mr.
Singh, Mr. S. N.
Sinha, Babu L. P.
Townsend, Mr. C. A. H.
Venkatapatiraju, Mr. B.

The motion was negatived.

Mr. M. G. M. Ayyangar (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): There is no doubt that under the existing Hindu law, a person who is from birth blind, deaf or dumb and a person who is insane either from birth or when succession opens are disqualified from getting property from inheritance or from claiming any share in the joint

[Mr. M. G. M. Ayyangar.]

family property. The object of the Bill was to remove the grounds on which these people were excluded from inheritance or a share in joint family property because in the opinion of the author of this Bill 'that in the times that we live in, such grounds of exclusion should not be allowed to deprive a person of temporal rights and the grounds of exclusion according to him as stated in the objects and reasons of the Bill were that their present condition is due to sins in their former birth and that they are therefore not entitled to share in the patrimony.' The Honourable author of this Bill had given at an earlier date the grounds on which this exclusion is based. He stated then "If the exclusion is not based on original sin or subsequent incapacity to offer oblations and the like, the suggestion that it was due to a belief in the inability of the heir to manage temporal affairs is more plausible—very likely, the rule is an outcome of a hazy notion that the property should be preserved for the disqualified person by those who are related to him." It seems to me that it is not complimentary to the ancient jurists to say that they based the exclusion from inheritance of these unfortunate persons because of their sins in former birth and inability to offer oblations.

I wish to impress upon those who seem to be in favour of this Bill, one thing, namely, that they are not attempting to do any good to the disqualified persons but only trying to do them harm by this piece of legislation. Some of the Members of this House and some outside this House seem to me to think that the reason for the exclusion is only superstitious. It is not really so. But it is based purely on secular and business like considerations. It only prevents these persons during the continuance of the incapacity from becoming tools in the hands of designing persons because they are incapable of taking care of themselves. The reason is nothing but a desire, a sincere desire to do good to these disqualified persons. Honourable Members will see that the rules of the law which excludes these disqualified persons from inheritance or a share in the joint family property preserves the property intact for their issue or their successors and grants maintenance to them, their widows and their unmarried daughters. It is not that their share of the property is swallowed' by their coparceners to the detriment of these disqualified persons and their heirs. It is not that their widows and daughters are not entitled to maintenance. All these rights are preserved intact. Only the disqualified persons are not allowed to manage their property. Thus, Sir, you see that this rule of law preserves the property intact for the benefit of his heirs or successors. It only guards against scheming people taking advantage of the helpless condition of these disqualified persons and making them lose their property. By the doing away of the present restriction and conferring absolute powers on these disqualified persons the near relations such as coparceners and others who would ordinarily have taken care of them, would naturally neglect them and become indifferent. And that will be the ultimate result of this Bill if it should be passed into law. Now I ask you, Sir, can anybody say, a rule of law which grants maintenance to these disqualified persons, their wives and daughters and which preserves the property intact for their heirs and successors—can anybody say that this is not good, that this is based on superstition and that this law should therefore not be allowed to exist in the times that we live in? It is this rule of law, Sir, that is now attempted to be changed by this measure now before the House.

The theory propounded in the 43 Madras case which seems to have influenced to a large extent the opinions of the Government of Madras and that of the Central Provinces and also that of most of the Judges of the Madras High Court—and I may here be permitted to point out that these are almost the only opinions in favour of this Bill whereas the whole body of the rest of the opinion is against this measure,—the theory propounded in the 43 Madras case by that social reformer Judge—Justice Sadasiva Aiyar that “the rule of Hindu Law preventing a person born blind from claiming an interest along with his brothers as a co-owner in ancestral property has become obsolete”—this theory the correctness of which was doubted in the later case in 44 Mad. 704 has been entirely disagreed by a still more recent Full Bench case of the same High Court reported in 45 Mad. 949. The only reason assigned by Justice Sadasiva Aiyar in support of his conclusion that the rule of law has become obsolete, namely, that a rule becomes obsolete when the reason of the rule disappears through change of circumstances and environments in the society which was governed by that rule has been criticised and stated to be not correct. His Lordship the Chief Justice Sir Walter Salis Schwabe in page 962 of 45, Madras says, “A Law does not cease to be operative because it is out of keeping with the times. A Law does not become obsolete because it is an anachronism, or because it is antiquated, or because the reason why it became originally the law would be no reason for its introduction of such a law at the present time. To hold the contrary would be an entire misunderstanding of the meaning of the legal maxim *cessat ratio cessat lex* which is relied upon in support of the contrary opinion.”

I am sure that if the Madras Government and the Government of the Central Provinces had had the latest Full Bench case in 45 Madras, they would surely have modified their opinion.

Another objection I respectfully urge is this that such a measure should not be brought in the Central Legislature of the country. As observed by the Honorary Secretary of the Calcutta Vakils' Association in his letter to the Secretary to the Government of Bengal on the 20th December 1921, in connection with this Bill and the Hindu Inheritance Bill which is also on the agenda of to-day “the principle underlying both these Bills, aiming as it does, at an alteration of the Hindu Law by a process of direct legislation with the aid of a majority of votes in the Assembly, composed as it is of persons belonging to communities other than Hindus or whose sympathies with Shastric injunctions are sometimes of an attenuated character is likely to prove distasteful to the vast majority of orthodox Hindus, and this House will fail to appeal to it as an appropriate machinery for effecting such a change. A far more satisfactory course would have been the one suggested by the Government of Bombay in their letter of the 24th July 1922, namely, such measures which affect the intimate personal and sectional interests of particular communities can be more fairly and effectually debated in the provincial councils, which are more closely in contact with the phases of public opinion which are most entitled to be consulted; and the communities concerned are more fully and perhaps more effectually represented in them.

Sir, the Honourable the Mover has said in the Statement of Objects and Reasons of the Bill that public opinion had expressed itself strongly against the disability which the present scale of the Hindu Law

[Mr. M. G. M. Ayyangar.]

imposes on them. I do not know when and how public opinion expressed itself so strongly. If Honourable Members will only go through the papers circulated in connection with this Bill, they will see that the contrary is the case.

The original Bill which was introduced wanted that no person should be excluded from inheritance or from a share in joint family property by reason only of any disease, deformity, physical or mental defect; and the Bill which has emerged from the Select Committee states that persons other than one who is and has been from birth a lunatic or idiot shall inherit and have a share in joint family property, *i.e.*, persons who are from birth blind, deaf or dumb shall inherit and get a share in the property. The rule of Hindu Law as contained in Manu, does not make any distinction between persons born blind, deaf or dumb and a lunatic or idiot. If persons born blind, deaf or dumb are entitled to any consideration in the present day, the lunatic and the idiot also are entitled to the same consideration. I am not able to understand why the Select Committee gave this unequal treatment to these disqualified persons. The exclusion and the inclusion of the class of persons seems to be arbitrary and not guided by any principles.

In a matter of this sort which as I stated aims at the alteration of the existing laws, unless there is a demand by the whole community of Hindus, it is not safe for us to undertake legislation in this manner. This piece of legislation may, I am afraid, offend the religious susceptibilities of the vast majority of the community. Whatever may be said about sentiments in other matters, I submit that sentiment in a matter like this ought to be respected and no innovations should ever be attempted to be made which are not in accordance with sentiments.

I make bold to think that even the very few who were in favour of the original Bill may not like this mutilated Bill.

The case in 43 Madras has been overruled by the Full Bench in 45 Madras. Bengal which was excluded by the original Bill has been included by the Select Committee. So far as Madras is concerned, I do not see any opinion collected from the mofassal. I presume it is the same thing with regard to most of the other provinces.

In matters of this kind, it is better that the opinions of expert Sanskrit scholars and Pandits are also obtained. For as was said by the editor of the *Madras Law Journal*:

"One thing that the educated man is clearly to realise, if he wants to really effect any reform, is that his influence in matters religious is slender and in fact bears little relation to his position and influence in matters secular. If he imagines that he will be able by his secular influence to effect religious opinions in the country, he is suffering from a totally wrong perspective and his attempts at reform have little probability of success. Even in matters in which the religious susceptibilities have little reason to come in, it is well that the suspicion of the ordinary man is not roused, and with that view, we would have the committee investigating the matter composed not only of advanced reformers but also of men about whose orthodoxy, there is no question."

With these words, Sir, I oppose the consideration of the Bill.

Mr. President: I intended to call the Honourable Member to move his amendment to clause 2, but

Rao Bahadur T. Rangachariar: I do not know, Sir, that you have yet put the motion for consideration.

Mr. President: As a matter of fact it escaped my mind and I was consulting the Secretary at the moment whether I had done so. The House is now on the motion for consideration.

Rai Sahib Lakshmi Narayan Lal (Bihar and Orissa: Nominated Non-Official): Sir, I am very sorry that I have to oppose our respected Leader, the Honourable Mr. Seshagiri Ayyar, but I do so, I think, in pursuance of the noble lessons imparted by him, always to have the courage of one's conviction. The Honourable Mr. Seshagiri Ayyar is a scholar of Hindu law and was an eminent Judge. I appeal to him to decide his own case on the collected record of the opinions from all the provinces. I am confident that, if he will carefully examine the collected opinions, he will have to decide his own case against himself. Opinions have been invited from thirteen provinces. The opinions of five of them are almost equally divided; three of them are in favour of the Bill and five of them against it. So, on the whole, the opinion of the country is against this Bill; and even those who are in favour of this Bill are only in favour of the principle of the Bill but not in favour of the Bill as it has been laid before this House. Sir, conservatism is not always bad; the wisdom of conservatism is being gradually realized by science. I may be pardoned for giving one example. The Hindus are said to be conservative in enunciating the rule that if the finger comes in contact with the tongue it becomes untouchable so long as it is not washed. The principle enunciated therein has been, now, recognized by science. I find in all railway trains, as well as in big buildings, a notice hung up saying, "Please do not spit on the floor." What is that? It is just the same principle; if your finger comes in contact with your tongue you are likely to touch other articles which may come in contact with other persons. So we should not dislike everything which is old. We should carefully examine it; not so hurriedly as is being done in the case of the Hindu Law which should be considered, in a proper body constituted for the purpose. Piecemeal legislation in a matter like Hindu Law is never advisable, many eminent persons hold that the whole of Hindu Law should be considered together by Commissioners appointed for the purpose if any legislation is at all required to be undertaken. With these few remarks, Sir, I oppose this Bill.

Rao Bahadur T. Rangachariar: Sir, I beg to oppose this motion. It is a very serious measure which my Honourable friend has tabled. It requires considerable thought on the part of the Legislature, and I do not think my Honourable friend is doing justice to his community or to the ancient Hindu Law by trying to press this motion at the far end of a Session like this when the House is thin and perhaps much tired and worried. Sir, that on such occasion like this my Honourable friend should press his motion for consideration of such an important measure, to which he says he has devoted his life, passes my comprehension. Sir, I would have expected from the Leader of a Party, as my Honourable friend is, to agree to the wishes of people who are vitally interested in a matter like this, not to snatch a victory by the votes of Muhammadans and Europeans, but to get the approval of the Hindu Members of this House to his measure. Sir, I ask the House to glance at the last Division List; can it be said that my Honourable friend is getting the support of the Hindu Members of this House for his measure, for whose benefit he is enacting a measure which is

[Rao Bahadur T. Rangachariar.]

making an inroad into the law of inheritance. Sir, let us secure a victory after a fair fight. Sir, I ask the House, I ask my Honourable friends, both European and Muhammadan, not to lend the weight of their support to a measure like this when they find that the whole of the Hindu Members are opposed to it. It is not fair to the Hindu community. It is not right on our part to come and make the piecemeal inroad into our legislation. Sir, on the Select Committee, I did try my best to make such improvements as may be made, and I am not one of those who are wholly opposed to the measure. I am quite willing to say that some portion of the law of exclusion should be set right. But, Sir, here is a matter which requires your consideration. The Select Committee, as Honourable Members will see from my minute, met haphazardly. Most of the Hindu Members were absent, and, Sir, to say that this is a measure which ought to be forced on the consideration of the House at this juncture seems to me a travesty of justice and fair play. Sir, I ask the House to oppose this motion. He has educated public opinion on this matter. I am sure my Honourable friend will come back to this House in July and he should have this measure fully considered then. I am sure my Honourable friend will not lose anything. I ask him to accede to the wishes of the Hindu Members. If he does not, I ask the House to oppose the motion.

Sir Deva Prasad Sarvadhikary: Sir, I feel bound to oppose the motion for taking this Bill into consideration, and in doing so, I am obliged at this stage to make a statement which I was very unwilling to make earlier as the Bill was likely to be deferred. The amount of rush that has attended the consideration of this measure is to me unintelligible. Mr. Rangachariar has brought out one or two facts in connection with the Select Committee proceedings in his minute of dissent. I am bound now to add to them. The Select Committee meetings were called several times, and the meetings were not held at the time and place advertised and were held at time and places of which I had no due notice. As a Member of the Select Committee I had no opportunities of attending any of the meetings of the Select Committee—not my fault. Then, Sir, whoever was responsible for it did not think it necessary even to send the draft Report of the Select Committee to one of the Members to see whether he would sign it or annex a note of dissent to it. That is the position, and that is the explanation why my name does not appear on that Report. I do not want to apportion the blame to anyone,—it might be the office or it might be anybody else, but what was right was not done. My friend says he had nothing to do with the matter; I do not suggest he had. Anyway as the mover of the Bill, he might have seen that this was attended to.

Mr. T. V. Seshagiri Ayyar: May I offer a personal explanation, Sir. I think Sir Deva Prasad Sarvadhikary told me that his name did not appear in the Report. I asked the Joint Secretary at once why his name did not appear and why the report was not circulated to him. I want him to bear that fact in mind; I wanted to be as fair as possible.

Sir Deva Prasad Sarvadhikary: And even then it did not come to me.

Mr. T. V. Seshagiri Ayyar: I was not responsible.

Sir Deva Prasad Sarvadhikary: I do not say he is. I am stating this to the Assembly that it is voting away the rights of Hindus, rights or wrongs

whatever they may be, by what Mr. Rangachariar has stated to be the votes of Europeans, Muhammadans and non-Hindus in general. I do not deny the right of this Assembly to legislate with regard to all communities after due consideration, but this Bill has not received anything like due consideration, and it will be wrong and absolutely wrong to pass it without that consideration being vouchsafed to it.

Mr. J. N. Mukherjee: Sir, I should like to supplement what has fallen from my Honourable friend by referring to one or two points in connection with this Bill, and in connection with the fact that in a measure of this importance it has not received the consideration that it ought to have received at the hands of the Select Committee. Sir, the mischief which is invariably present when private parties wish to put forth their individual ideas and try to reach victory by means which satisfy their own desires is present in a far larger degree in a case of this kind than in the case of ordinary private Bills which are registered as such in the House of Commons; and I crave the indulgence of the House to refer to one or two passages in May's Parliamentary Practice (edition of 1920):

"In passing public Bills Parliament acts strictly in its Legislative capacity. It reiterates the measures which appear for the public good, it conducts inquiries when necessary for its own information, and enacts laws according to its own wisdom and judgment. The houses in which its deliberations are conducted are established for public convenience, and all its proceedings are independent of individual parties who may petition indeed and are sometimes heard by counsel who have no direct participation in the conduct of the business or immediate influence upon the judgment of Parliament."

Now, Sir, we are in the very beginning of Parliamentary life. We are still unfamiliar, not only we but the officials are still unfamiliar, with the detailed rules of Parliamentary procedure. Indeed, we have not yet the right of petition, and I think, that right of petition is still in the cauldron, and people have not yet come to know that there is a right of petition by which objection can be taken, whereas in Parliament it has a long history,—it dates back to a time before all this. The difference which exists in the Mother of Parliaments as regards private and public Bills has been obliterated in our Legislature. Rules and standing orders have been framed, but we find that the whole procedure is now, if I may say so, boiling in a cauldron. Therefore, Sir, it requires great care with reference to private Bills which in reality are public Bills affecting the country at large; and in a measure of this kind . . .

Mr. President: The Honourable Member is confusing two questions in using the words "private" and "public". He calls the Honourable Member's Bill "private" because it is non-official—using "private" in the technical English Parliamentary sense. In that, he is mistaken. This is, in every sense, a "public" Bill.

Mr. J. N. Mukherjee: That is what I am submitting to the House. The whole difference will at once strike the House, if the House takes into consideration the fact that when the originating source is the Government the treatment is different . . .

Mr. President: The Honourable Member is wrong: for the distinction between "public" and "private" does not arise in that case, as Private Bill Legislation in England is solely concerned with specific matters of limited application and local concern, such as the municipal boundaries and the like in contradistinction to matters—as our phrase runs—of "General Public Interest." The Honourable Member is mistaken in thinking that

[Mr. President.]

the distinction between Private Bills and Public Bills in England is the same as the distinction between Official Bills and Non-Official Bills in India. The two distinctions are quite different.

Mr. J. N. Mukherjee: Of course the classification is entirely different, and that classification unfortunately does not exist here. In England, I find in May's Parliamentary Practice that if a Bill of that character affecting classes or a locality is brought before Parliament, there is a special department which scrutinises it; counsel are heard on both sides and evidence is taken and so forth. The question of private Bills here, without using the word "private," I may submit to the House, is purely of a public character, and as such, it ought to have originated from the central authority in England. There it should have found ample consideration. The Legislative Department, I think, and the different Law Members from time to time have been considering this question of codification and how to tackle different points of Hindu Law; and if there has been any delay, the delay is due to the fact that the Government wishes to consider all aspects of the question, to ascertain public opinion and if there is a residue upon which the Government can start legislation; that is not so in the case of a private individual. A private individual conceives an idea. He thinks the idea is very good. He has the chance of handing down his name to posterity as a legislator. All these considerations actuate him, but not the Government. Therefore, I submit, Sir, the initial difficulty that meets us in the case is this: that we are landed in a decision at the *fag end* of the Session when we are about to rise, and a Bill of this important character is attempted to be rushed through; and the impatience is so great because it may slip through one's fingers and, therefore, whether it is good, bad or indifferent, this Bill must be passed. Then, Sir, if objection is taken as regards a Bill of this character, as the Honourable the President will support me, a Bill is removed from one class to another and made a public Bill and then evidence is taken. Where was evidence taken in this matter? You have not the slightest means of coming to know what public opinion is on the point. We are asked to legislate in the dark. But one thing I do know, that a question of great importance is going to be decided for the first time in this House and in spite of anything to the contrary, we are engaged in a House like this composed of religious bodies, in making a law that will over-ride Hindu Law, without the Hindu community as a whole being consulted in the way one would like to be consulted, not privately, not for the satisfaction of one's private desires, but from an exactly opposite point of view.

Now, Sir, let us consider the grave questions of importance that are involved in the Bill itself. There is not the slightest doubt that very little attention was paid to this Bill when it was first launched in this House, because we find that even insane persons are included as persons in respect of whom the Law of exclusion should not operate. The slightest thought would have disclosed the fact to any member taking an interest in the question that to vest an insane person, with property and right over property is something which is very difficult to understand. The rule as to him can be excluded from operation simply by supposing that it is the superstitious Hindu who enacted this and it is not in consonance with modern ideas. Let us see, Sir, whether it is consonant with modern ideas. That it is not so will appear from the fact that at least so far as the case of insane persons is concerned,

it has been placed outside the law which is in vogue, namely, that if a person is insane from birth, in respect of him the Bill should cease to have operation. But those people who are insane at the time of succession come within the operation of the Bill. Now, Sir, the Honourable the Mover of this Bill is himself a Judge and well versed in Hindu Law. He knows that it is a very controversial matter,—a controversy which arose not in respect of anything said in the Hindu Law itself, but by interpretation; and that is the way the Hindu Law has been altered or interpreted so far. To ignore authority to set at naught all authority, is a procedure, I submit, which has been for the first time placed before this House. Then, Sir, let us take the case of the leper. According to Hindu Law and according to the interpretation of the Hindu Law, lepers of a very virulent type have been excluded, that is to say, persons in respect of whom people would feel a sort of repugnance to associate with and association with whom is forbidden. Now, let us take his case. He is a person in respect of whom propagation of the species is not desirable. To make him in the first place the owner of property is to draw people into marriage, into union with him, and thereby transmit the disease. Apart from that the leper may have his intellect warped and in an unnatural condition owing to the disease itself. In such cases it is dangerous to invest him with rights over property to the detriment of the man who follows him. So is the case with deaf and dumb. Only in respect of eunuchs and persons devoid of limbs, can it be asked when they have got the mentality to enjoy why we should refuse them. I submit, Sir, that is also a point which has to be considered by the Hindu community itself. Then, Sir, if we consider such a case, a man has got his mind in order, his brains in good order and he is capable of acting in a rational manner. We can sympathise with the man if he is deprived of property, but not in the case of a man who is devoid of his senses. Therefore, in the case of a mad man, how can we say that we have deprived him of a right and that we have put him to trouble. Sir, these are questions which are of very great moment and according to the modern socialistic points of view the individual must yield to the social well-being. We all follow these principles more or less. Some people lay more emphasis on one aspect of the matter; others lay more emphasis on other aspects. But we all have to acknowledge that there is a higher consideration in these things. Simply to assert that because a man is a human being, though he has no mind, though he is born blind, and deaf and mute, and in that way has no conception of the world itself, that such a man should be vested with dominion over property is a matter which may seem to be not absolutely clear to many minds. Therefore, apart from the various questions of Hindu Law which might arise there is the danger to which I have referred, that is to say shaking the fountain head, that is the source of all authority in the Hindu law. If we once allow that and allow that the passing fancy of any individual Member of this House is sufficient for legislation to be set in motion, if the satisfaction of being able to contemplate one's offspring, as it were, be enough for the purposes of the legislator, then I submit, all stability is jeopardised so far as legislation is concerned. We are, as I submit to this House, on the brink of a precipice. We know in whose hands we are placed, and by party cliques and various other ways, we may carry certain ideas of ours through the Assembly and consider ourselves sufficiently required by our success. That I submit, Sir, ought not to be the attitude of this House with reference to questions of this kind. The Removal of Caste Disabilities Act has been very often paraded in this House, but once this is done there will be no end to its being done *ad infinitum*. I submit even there

[Mr. J. N. Mukherjee.]

Government proceeded with great caution. Of course even from before the commencement of the British administration they were very careful not to interfere with the social laws and rules of the people. Even before Warren Hastings became Governor General and took an active part in the administration that was the principle that was observed, and now we openly come forward and say, "in spite of anything to the contrary in the Hindu Law, we want this according to our own personal liking." The very Mover who thought that insane persons should never be deprived of their rights, came to the opinion that insane persons, if born insane, may be kept out of the rule. Sir, it is well within the experience of the President that in the House of Lords, and by the Chairman of Ways and Means in the House of Commons a strict check is kept when Bills introduced by private individuals are concerned. They are looked upon with jealousy. There is examination, counsel is heard, and very often when objections are made, the objections are allowed and the Bill is sometimes moved from one class and placed in another class and the initiation of the matter is left in the hands of Government which is a disinterested party. There is then no private end in view but only the public view. Articles written and considered in the Madras Presidency itself go to show the dangers which lie in piecemeal legislation. The Hindu Law of Inheritance, for instance, must be taken up in its totality. It is not that I bring in a certain person from one place and put him in another place; it means a consequential denial in the whole line of succession. It has to be repeated times without number. So in the present instance in the consideration of this Bill upon the materials which are now before the House and the consideration which the Select Committee has given to it, or has not been able to give to it, these are weighty considerations against the Bill. Sir, I oppose the consideration of this Bill.

Khan Bahadur Sarfaraz Hussain Khan (Tirhut Division: Muhammadan): Sir, the Honourable Mr. Rangachariar seems to have taken some objection to the participation of non-Hindu Members. I am sorry. Does he mean to say that, even if a cause be just, a non-Hindu should not take up the cause? Does he suggest that? (*Rao Bahadur T. Rangachariar*: "Yes.") Did he himself not take part in the Waqf Bill? "It is simply because this is his case, that he takes objection. I hope he will excuse me for saying so. Now, why Muhammadans and other non-Hindus supported the Honourable Mover of the Bill was simply because they felt and I say that it was a just cause. I therefore, appeal to all my Hindu friends asking them to advance with the times. They should do away with meaningless customs and advance with the times. *Swaraj* is coming sooner or later; it is only a question of time. It has come from the mouth of the Sovereign of Great Britain and it is bound to come. If you remain behind at present there will be a hard struggle afterwards. Hitherto we have been simply as minors in the Court of Wards. The time will come when we will have to take care of ourselves, and we must not therefore lag behind, but take time by the forelock; and as a friend, and as an Indian, I say go forward. No doubt I do not know Hindu law, but I understand sufficiently what it means. It says:

"Notwithstanding any rule of Hindu Law or custom to the contrary, no person governed by the Hindu Law, other than a person who is and has been from birth a lunatic or idiot, shall be excluded from inheritance or from any right or share in joint family property by reason only of any disease, deformity, or physical or mental defect."

Do you mean to say that simply because a man is lame you would exclude him from inheritance? (*Mr. T. V. Seshagiri Ayyar*: "That is

the law they want.') I give credit to the Honourable Mover of the Bill for his earnest desire to remove hindrances to development and I give the Bill my whole-hearted support—paying the Honourable Mover my tribute of respect for his courage and patriotism.

Mr. T. V. Seshagiri Ayyar: Sir, may I say a word? So many things have been said about my desire to snatch a personal victory that I do not think I should take up the time of the House by replying to them. I believe I am known fairly well to Members of this House, both Europeans, Muhammadans and Hindus, and I believe they know that I am not in the habit of snatching victories, or of placing undue importance upon personal considerations. Therefore, Sir, I shall say nothing upon that part of the subject. A red herring was sought to be drawn by appealing to Europeans and Mussalmans not to vote for this measure. Now, Sir, I wish to say a word about this. I have been myself a judge and as a judge I have decided cases between Muhammadans and Muhammadans and between Europeans and Europeans, and to-day in the Privy Council a Muhammadan Judge decides questions of Hindu Law, and you will find throughout the length and breadth of this country Europeans engaged in deciding cases between Hindus and Muhammadans and between Europeans and Hindus and so on. Can there be a disqualification simply because a man happens to be a Mussalman or European; would he not give his unbiassed opinion as a judge after hearing the arguments on both sides and decide whether I am in the right or whether the Members who oppose me are in the right? That is the question which I wish to put before the House; and as was pointed out by Mr. Sarfaraz Hussain, when we had to deal with a Bill affecting a Muhammadan question we Hindus took part in the debate

Rao Bahadur T. Rangachariar: We did not go against the Muhammadan view in that matter.

Mr. T. V. Seshagiri Ayyar: What is the Muhammadan view and what is the Hindu view is a matter very difficult for me to understand. Sir, under these circumstances I hope my European friends—I shall not call them friends because it might be misunderstood—the European Members of this Assembly will not be led away by the fact that A brought in the Bill and B opposed it; I ask them to give their impartial judgment, not because I have moved, or because somebody has opposed it; I ask them to consider deeply the whole matter and the reasons given, and say whether my object in bringing forward this measure is a humane one or not, and then to give their votes.

Sir, it has been said that the Hindu law is of divine origin and therefore it is sacrilegious for any man to legislate. I do not think I sufficiently clearly placed one aspect of this question, before the House. Upon this very same text there are catalogued about half a dozen disqualifications. As regards the foremost of them, that is to say, conversion from caste, the Government, 70 years ago, brought forward a Bill; it enacted that mere conversion from one religion to another, from Hinduism to Muhammadanism or Hinduism to Christianity, shall not be a bar for inheritance. Therefore 70 years ago, by Act XXI of 1850, the Government of the day thought that this portion of the law was inhuman and one which ought not to be acceded to; and they brought in a Bill and that is the law to this day. Then, Sir, there is a Bill regarding the re-marriage of Hindu widows; that

[Mr. T. V. Seshagiri Ayyar.]

has been law all these years. Does anybody seriously say that this is in accordance with Hindu law? It was made law; and that law was passed because . . .

Mr. J. N. Mukherjee: May I say that there is a text of Hindu law supporting such marriages—*Parasara Samhita*?

Mr. T. V. Seshagiri Ayyar: I think my Honourable friend in his anxiety to support his view is forgetting the whole trend of Hindu law. If he had read the pamphlets upon that subject, if he had read the various writers, he will find that, though Parasara might support that view, a large number of other writers, among whom for example there is Manu whom he is so anxious to support, have declared that re-marriage should not be allowed, and still a law was passed by the Legislature; that is the law to-day; under those circumstances can it be honestly said, can it be seriously said that it is not open to bring forward measures of this kind in this Legislature? Can it be honestly said that Europeans and Muhammadans are not entitled to take part in the discussion? I hope my Honourable friends will not be led away by anything that has been said upon this matter. If I may say so, these Members are the better judges in the matter; we are biassed one way or the other: they are not; they can be expected to be impartial and after hearing the various views to give their considered judgment upon a matter of this description, they will not be in the least affected by considerations which affect us, personal considerations, party considerations and what are called orthodox considerations; but the others would on the merits of the question come to a conclusion, and I ask them to give their verdict not upon the fact that A or B proposes it or C or D opposes it, but upon the fact whether it is a good law, whether it is desirable that it should be discussed and carried through. Sir, there was one question put by Mr. Mukundarnja Ayyangar, to which I must refer. He said that this is a matter which ought to be considered in the local Council. Sir, nobody would have been happier if it were possible to have this matter disposed of in the local Council. If the Honourable the Home Member will remember, when *Malabar Act* came before this House, even at the risk of being considered irrelevant, I suggested that that portion of the India Council's Act should be removed which makes it impossible for questions of this nature being considered in the local Councils; and I said that he would be conferring a great boon if he acceded to my request. My object was this. I would have then ceased to inflict myself upon this House, I would have taken my work to a place where my character and antecedents are known, and where the insinuations which have been made in this Assembly would not have been made; seriously I would have been most happy if the Honourable the Home Member had acceded to my request to have that portion of the India Council's Act removed. He has not done it yet. Unfortunately what is the position now, Sir? Some years ago when there was a decision of the Privy Council relating to Hindu law, I had the temerity when I first became a Member of the Madras Legislative Council to introduce a Bill which would do away with the interpretation placed upon it by the Judicial Committee; that related to the gift to unborn persons, and I carried the measure through although there was some opposition. Nobody in Madras ever said anything against my character, either that I was anxious to snatch a victory or to do anything which would show that I was doing the thing only for the purpose of personal popularity. That Act was passed

there. Well, what happened after that? It was held that that Act had no application whatsoever to the presidency town because of the existence of a section in the India Council's Act. As soon as I came to Delhi, the very first thing that I had to do was to try and make that Act extend to the presidency town. That is the position. It is impossible to pass an Act of this nature in Madras because it cannot apply to the presidency towns. If this is removed, there will be no difficulty. I do not like to take the time of the House any further; I was getting a little excited in consequence of certain reflections made against me personally. I do not want to make the same kind of reflections on those who have spoken in this matter. I daresay they are actuated by the best of motives and as pillars of orthodoxy they are anxious that nothing should be done which would in the least affect orthodox principles, but they must remember these were challenged times without number in the local Councils. It has been done in various local Legislatures, and I myself was instrumental in having it challenged in Madras. Under these circumstances, I would ask my European and Muhammadan friends to give their verdict upon the merits of the case and not to be influenced by anything that has been said just now.

Mr. President: The question is that the Bill be taken into consideration. The motion was adopted.

Mr. President: Clause 2.

Mr. M. G. M. Ayyangar: Sir, in the amendment standing against my name on the paper, there seems to be some mistake and therefore instead of the amendment as it is on the paper, if I have your permission, Sir, I would move the amendment, namely:

"That instead of the word 'and' between the words 'who is' and the words 'has been' in clause 2 of the Bill, the words 'at the time the succession opens or partition is effected or' be substituted."

Clause 2 of the Bill after the amendment I desire to make would read thus:

"Notwithstanding my rule of Hindu Law or custom to the contrary, no person governed by the Hindu law other than a person who is at the time when the succession opens or partition is effected or has been from birth a lunatic, etc."

Sir, the object of this amendment is to place the disqualified heirs whether the disqualification is congenital or one supervening on the same footing. I do not see why a person whose disqualification is congenital alone should be excluded but one who is disqualified subsequently and continues to be disqualified when the succession opens or partition is effected should not be excluded. If there is reason, sentimental or otherwise, for the exclusion in the one case, I submit there is reason for the exclusion in the other case also.

The existing law, so far as insanity is concerned is clear that it need not be congenital to exclude a person. I would refer only to the recent case of the Madras High Court in 43, Madras 464 wherein our Honourable friend, Mr. Seshagiri Ayyar, when he was a Judge, says after stating that Courts here and the Judicial Committee have regarded the injunction of law relating to exclusion as a living principle. If the exclusion is not based on original sin or subsequent incapacity to offer oblations and the like, the suggestion that it was due to a belief in the inability of the heir to manage temporal affairs appears more plausible. Very likely the rule is an outcome of a hazy notion that the property should be preserved for

[Mr. M. G. M. Ayyangar.]

the disqualified person by those who are related to him " and finally he decides that insanity need not be congenital. If that be so, I ask, Sir, why should there be this change in the law? I submit, Sir, no valid reasons have been assigned for the change that is now sought to be introduced. I therefore, Sir, move my amendment.

Mr. T. V. Seshagiri Ayyar: Sir, may I say a word? The principles of Hindu law in this point are this. There are two principles—one is incapacity to manage, and the other is that, if a man has some defects, it must be taken that he must have committed some serious sin in a previous birth and that is why he is born like that. If the House will read the text of Manu, the idea running through that text will be found to be that there has been some sin in a previous birth and as a result of that sin he has been born in a particular manner. Sir, if my learned friend's arguments are taken seriously, what would be the position? Suppose a man commits a sin late in life, which makes it impossible for him to perform certain religious ceremonies, can it seriously be contended that he must be divested of his property? It is really, Sir, for the purpose of showing that congenital defects show that their possessor has not been good or honest in his previous birth, that this disqualification text finds a place in the Smriti, I do not think any civilised person in these days would consider that such a disqualification should be allowed to exist. Supposing a man drinks or commits other sins, can you say that this man is so sinful that he should not have the property? I think the Hindu law has for some reason or other imposed disqualification only in cases where there was congenital defect. And I do not think my Honourable friend is right in saying that that safeguard should be ignored. I think it would be inconsistent with the tenor of the Bill if we were to insert the words which he wants to insert.

The motion was negatived.

Lala Girdharilal Agarwala (Agra Division: Non-Muhammadan Rural): Sir, I move the amendment which stands in my name:

" At the end of clause 2 add the following :

" Provided that during the continuance of any such disqualification, such person shall neither claim partition of joint family property nor transfer any property except for legal necessity."

I am the last person who would consent to any alteration in the Hindu law, and like my Honourable Mussalman friends who would never like or recommend any alteration in their Holy Koran. At this moment I might be allowed to make one observation with regard to the remarks which fell from the mouth of my Honourable friend, Khan Bahadur Sarfaraz Hussain Khan, and also the Mover of this Bill to the effect that persons who belong to other castes, namely, Muhammadans and Christians, have a right to legislate for the Hindus. Now, I will say—they will excuse me for saying so—that we Hindus regard the practice of circumcision as barbarous. But would the Muhammadans like us to legislate on that point? Certainly not. I submit that there should be a convention in this Honourable House and elsewhere that, when a measure affects any particular caste or community, that caste or community only should decide and not others. Otherwise, what I have said just now would be the result and would create unpleasantness, both inside and outside, and I say with all the emphasis at my command that a similar unpleasantness has already been created by

my Honourable friends, Christians and Mussalmans, voting and supporting Dr. Gour's Bill. I do not want that to be repeated.

Khan Bahadur Sayid Muhammad Ismail (Patna and Chota Nagpur *cum* Orissa: Muhammadan): May I rise to a point of personal explanation, Sir? I think the Honourable Member has entirely misunderstood the attitude of some of the Muhammadan Members when we voted for Dr. Gour's Civil Marriage Bill. We did not vote because the Muhammadans were excluded from the scope of that Bill, but considering it a piece of permissive legislation, I further submit that even if the Muhammadans had been included in the scope of the Bill we would have probably adopted almost the same attitude.

Lala Girdharilal Agarwala: One of the Honourable Members has declared his own intention. I do not know how far it is assented to. However, I leave this question aside. What I submit is this, that this is our own affair. It is the affair of the Hindus and I appeal to my Honourable friends although they have got the legal right to give votes on all measures which come before this House, yet, as a matter of convention, as a matter of principle, to refrain in future from supporting any measure which might be considered by the orthodox Hindus as subversive of Hindu law in the same way in which they would themselves not like the Hindus to legislate for them on any matters which might be subversive of their own laws. With these few words, Sir, I want to move my amendment which has already been read out. One word more, Sir. Under the Hindu law, as strictly interpreted, persons who are suffering from a disqualification are entitled to maintenance. Now, it has been represented to me by some Honourable Members that we should be more pitiful and more merciful towards the disqualified persons, and it is only as a matter of concession that I have agreed to the Bill as it has come out of the Select Committee, on the condition that a provision like this is added so that the disqualified persons may have the entire profits of the property throughout his life but may not have any right to claim partition of any joint family property.

Mr. President: Amendment moved:

"That at the end of clause 2 add the following:

'Provided that during the continuance of any such disqualification, such person shall neither claim partition of joint family property nor transfer any property except for legal necessity.'

Mr. P. E. Percival (Bombay: Nominated Official): Sir, I rise to discuss the amendment from the point of view of drafting. I do not understand how this clause is to be read with the previous one. Clause 2 runs:

"Notwithstanding any rule of Hindu Law" and so forth, "no person" except lunatics and so forth, "shall be excluded." Then my Honourable friend adds "Provided that during the continuance of such disqualification" I do not see how disqualification comes in in connection with the previous sentence. And then my friend goes on to say: "Such person shall neither claim partition, etc." It is not clear who "such person" is, and in particular, I do not see how "such disqualification" can come in and how it can be read with the previous clause 2.

Mr. President: The question is that that amendment be made.

The motion was negatived.

Clauses 2 and 8 were added to the Bill.

Mr. J. Chaudhuri (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): I gave notice of a similar amendment to those of my friends Mr. Raju and Mr. Neogy, but on reconsideration I have amended the same for greater precision, and my amendment will read thus. Clause 1 (2) reads thus:

"It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas."

To that I move a further sub-clause (3) be added:

"(3) It shall not apply to any person governed by the Dayabhaga school of Hindu Law."

Now, this makes the object I have in view quite clear and precise. My reason for moving this amendment is that the law of coparcenery does not apply to those who are governed by the Dayabhaga school of Hindu Law and they can dispose of their property any way they like.

Mr. T. V. Seshagiri Ayyar: I accept the amendment.

The amendment was adopted.

Clause 1, as amended, was added to the Bill.

The Title and the Preamble to the Bill were added.

Mr. T. V. Seshagiri Ayyar: I move that the Bill, as amended, be passed.

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): I have no business in rising to stand and speak on this motion, but I rise simply to express my regret that if we have offended in any way by our voting on the matter of circulation, I have only this to say that the question on which we did vote was that the Bill be recirculated for public opinion, and we did it not on the ground that it affected the rights of anybody or anything of the kind. If the question had been about any particular section of this Bill being passed or not, we should have refrained from voting, but the question was whether to put the whole machinery of the Legislative Assembly into action for re-circulating the Bill, and if we have offended any section of the Assembly here, we are sorry for it and we leave it to the Hindu Members of the Assembly to decide whether this Bill should be passed or not.

The motion that the Bill, as amended, be passed was adopted.

THE CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

(AMENDMENT OF SECTION 4.)

Maulvi Abul Kasem (Dacca Division: Muhammadan Rural): I move:

"That the Report of the Select Committee on the Bill further to amend the Code of Criminal Procedure, 1898 (amendment of section 4), be taken into consideration."

The motion was adopted.

Clauses 1, 2, the Title and the Preamble to the Bill were added.

Maulvi Abul Kasem: I now move that the Bill, as amended, be passed.

The motion was adopted.

THE HINDU LAW OF INHERITANCE (AMENDMENT) BILL.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): I hope this Bill will have an easier passage in this House, than the previous one, because I find my friend Mr. Rangachariar who is very orthodox is in favour of this motion. Very orthodox people have been from the earliest days of opinion that to make the son's daughters, daughter's daughters and the man's own sister to come after seven degrees of agnate relationship is an anachronism that ought not to be tolerated any further. I move therefore:

"That the Report of the Select Committee on the Bill to amend the Hindu Law of Inheritance in certain particulars, and to remove certain doubts, be taken into consideration."

Lala Girdharilal Agarwala (Agra Division: Non-Muhammadan Rural): I oppose this motion. My submission is that this is a matter which will have very far-reaching consequences and at the fag end of the session, when the House is very thin and when a large number of Honourable Members have left the station and some of them are packing their luggage and phoning to the Station Master to reserve their berths I submit that it would not be proper for us in the absence of our other Honourable colleagues to consider this motion and pass it. On these grounds I would very earnestly and respectfully appeal to my Honourable friend and colleague not to press this Bill for consideration this afternoon.

Mr. President: The question is that the Report of the Select Committee be taken into consideration.

Mr. J. N. Mukherjee (Calcutta Suburbs: Non-Muhammadan Urban): I cannot record a silent vote in a matter of this kind and I have a motion that the Bill be re-circulated for obtaining opinion thereon. My reasons are practically the same as I urged in connection with the other Bill of my Honourable friend, Mr. Seshagiri Ayyar, but in a matter of succession as I have already submitted to the House the whole thing ought to be considered in its totality. Honourable Members will see in the instance under consideration how the Honourable the Mover of the Bill has followed the inclination of his own mind. First of all he has gone down to the brother's grandson, that is to say, in lineal succession. His case is not based upon the ground of natural affection and as the Bill includes as it does only cases where there has been a separation and the brother is living apart, one cannot imagine how the brother's grandson should have a preferential claim to the grandson's daughter. He has stopped with son's daughter but excluded grandson's daughter. Now in a Hindu family the picture is very common of a person having the daughter of a grandson. She is brought up, she is loved and so forth, but if we are to follow the bent of our minds we exclude the grandson's daughter. Similarly other instances may be found where a brother lives in Bombay and he has no connection with his other brother. Why should his family or progeny have preference over the family of his sister, so that as Honourable Members will see, the whole question hinges upon personal likes and dislikes and the impulse of the moment. Nothing else. On the impulse of the moment we are going to alter the law of succession and under circumstances over which the Hindu public affected will have no opportunity of expressing their views. Sir, the matter stands thus. It is difficult to make a constructive proposal unless and until the whole country has been appealed to, and the opinions of men who are entitled to pronounce an opinion on the subject are in the first place obtained. Now, it is correct to say that it is impossible to obtain

[Mr. J. N. Mukherjee.]

unanimity on a subject like this, and it is owing to this fact that the question of succession was left to the customs and usages of Hindu law. Of course I for one should think that if there is a sister living with the propositus that sister should have preference over remoter relations. But he has not followed that principle. Again, Sir, let us take the case of the father's sister. The father's sister has been completely ignored. (Mr. T. V. Seshagiri Ayyar: "No.") Yes, in this Bill. At least she occupies the position which the Mitakshara law assigns to her. But the father's sister is very often the presiding person in a Hindu family; she looks after the household, and there may be considerable personal attachment between the propositus and the father's sister. So that if these questions were considered in detail it will appear that the rule of succession which has been now placed before the House depends very largely upon accident, the accident of the persons or friends who formed the Select Committee and their personal views. (Mr. T. V. Seshagiri Ayyar: "That is not fair.") Honourable Members will see that there was no discussion on the original motion to refer this Bill to Select Committee. I stood up three times when this Bill was going to be referred to Select Committee, and if Honourable Members will refer to the proceedings of the Legislative Assembly they will find that there was not a single speech made on this Bill. That is how, I submit, social legislation of such far-reaching consequences is rushed through the House and made dependent purely upon accident. I deprecate that, Sir, to the fullest extent and in matters of this kind that ought not to be the case. At any rate, if there is going to be a change in the Hindu law, I think the system which has been advocated by Government is the best, namely, a Commission, where we can have represented the heads of different sects and people who are going to be affected by the Bill. First let us get a working basis on their opinions and then start the work. As I have submitted to the House, it is impossible to arrive at unanimity in a matter of this kind; but at any rate we can build something upon the resultant public opinion if I may put it that way. Now that method has been given the go-by in the present case and the House has been driven to the position that it must "accept" the Bill as it stands, for it is impossible for individual Members to suggest amendments because they have not consulted the country and they do not know how any proposition put forward by them will affect the country at large. At any rate it will be seen that great difficulty exists. Here we have a small class of people excluded from inheritance who are suffering from certain disease; but here the whole law of succession is affected.

Then, Sir, another submission which I should like to make to the House is that we now have the power of making wills. The Bill applies to separated property, so that the question of power to make wills will not arise. In this respect my submission to the House is that the modern world is different from the ancient world, because now if a person desires to leave his property to a particular person he can leave it to him or her by will, especially in cases of this kind where we are not concerned with joint property. Therefore, Sir, I submit it is difficult to say—unless one is to suppose that any change sought to be brought about in the law is good for the country at large. Unless that be the position that the House wishes to occupy, I submit that the procedure which the Honourable the Law Member, Dr. Sapru, as he then was, suggested to the House in connection with the question of codification was the right one, viz., that there should be a working basis like that—that would in my opinion have

been a more satisfactory manner of dealing with the subject, and therefore I submit, Sir, in the Bill as it is, considering the question piecemeal and apart from the dangers of following the Hindu law, the Muhammadan law, the Christian law, a convention might be introduced which would have the most disastrous effects, and therefore I submit that this Bill is of far greater importance than the other one. It assumes that some particular thing in Hindu law must be considered as barbarous, but that is not the only point here,—there are other weighty considerations which affect a Bill of this kind, and I therefore oppose the consideration of the Bill.

Mr. President: Did the Honourable Member move his motion?

Mr. J. N. Mukherjee: I move, Sir:

“That the Bill be re-circulated for the purpose of eliciting opinion thereon.”

Mr. President: Amendment moved:

“That the Bill be re-circulated for the purpose of eliciting opinion thereon.”

Mr. T. V. Seshagiri Ayyar: Sir, if my Honourable friend, Mr. Mukherjee, had posted himself in the first principles of Hindu law, if he felt anxious to do justice rather than sling mud at persons who want to make changes in Hindu law, he would find that I am advocating in this Bill principles which have long been accepted as salutary. For example, Sir, I want to bring to the notice of the Members of this House some first principles on which Hindu law is administered. As regards *bandhus*, there are three classes,—what are called one's *atma bandhus*, that is one's own descendants, and then the *pitri bandhus*, that is, the father's descendants, and then the *matri bandhus*, that is, the mother's descendants. The rule of succession is,—first of all, one's *atma bandhus* should come in; secondly, the *pitri bandhus*, or the father's descendants, and then the *matri bandhus*, or the mother's descendants; and then there is a second principle, which every Hindu lawyer knows, that the class of *bandhus* should not go beyond three degrees. That is the answer to the first of the conundrums which my friend has just now been propounding here. The grandson's daughter is more than three degrees removed, and therefore she does not come under the heading of *atma bandhus*. There can only be three degrees. Now, I take the son's daughter and the daughter's daughter, because they come within the three degrees; they must be given preference before the sister because she is the father's daughter. The sister being the father's daughter, whereas the son's daughter is one's own *atma bandhus*, the latter goes before the former. That is the principle upon which I base my order of succession, and that is the principle which commended itself to such a great lawyer as Sir V. Bashyam Ayyangar, and such an orthodox Hindu Judge as Sir T. Muthuswami Ayyar. I wanted to say this much because I do want this House to understand that I have framed the Bill on my own whim and fancy and not based it on well-known principles.

Mr. President: The original question was:

“That the Report of the Select Committee on the Bill to amend the Hindu Law of Inheritance in certain particulars, and to remove certain doubts, be taken into consideration.”

Since which an amendment has been moved:

“That the Bill be re-circulated for the purpose of eliciting opinion thereon.”

The question I have to put is:

“That the Bill be re-circulated for the purpose of eliciting opinion thereon.”

The Assembly divided :

AYES—22.

Agarwala, Lala Girdharilal.
Ahmed, Mr. K.
Ayyangar, Mr. M. G. M.
Bhargava, Pandit J. L.
Bradley-Birt, Mr. F. B.
Hussanally, Mr. W. M.
Lakshmi Narayan Lal, Mr.
Mahadeo Prasad, Munshi.
Mukherjee, Mr. J. N.
Nag, Mr. G. C.
Neogy, Mr. K. C.

Pyari Lal, Mr.
Samarth, Mr. N. M.
Sarvadhikary, Sir Deva Prasad.
Singh, Babu B. P.
Sinha, Babu Ambica Prasad.
Sohan Lal, Mr. Bakshi.
Srinivasa Rao, Mr. P. V.
Subrahmanayam, Mr. C. S.
Tulshan, Mr. Sheopershad.
Wajihuddin, Haji.
Webb, Sir Montagu.

NOES—31.

Abdul Majid, Sheikh.
Abdul Rahim Khan, Mr.
Abul Rahman, Munshi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Ahmed Baksh, Mr.
Akram Hussain, Prince A. M. M.
Asjad-ullah, Maulvi Miyan.
Ayyar, Mr. T. V. Seshagiri.
Bagde, Mr. K. G.
Basu, Mr. J. N.
Chaudhuri, Mr. J.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Dalal, Sardar B. A.
Ghulam Sarwar Khan, Chaudhuri.

Gidney, Lieut.-Col. H. A. J.
Gulab Singh, Sardar.
Haigh, Mr. P. B.
Ikramullah Khan, Raja Mohd.
Jamnadas Dwarkadas, Mr.
Jatkar, Mr. B. H. R.
Latthe, Mr. A. B.
Man Singh, Bhair.
Mitter, Mr. K. N.
Mudaliar, Mr. S.
Percival, Mr. P. E.
Reddi, Mr. M. K.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Mr.
Venkatapatiraju, Mr. B.
Vishindas, Mr. H.

The motion was negatived.

Mr. President: The question is :

“ That the Bill be taken into consideration.”

The motion was adopted.

Mr. President: Clause 2.

Mr. M. G. M. Ayyangar (Madura and Ramnad cum Tinnevely : Non-Muhammadian Rural): Sir, I move:

“ That in clause 2(c) after the word ‘sister’ the words ‘during her lifetime’ be inserted.”

I have taken this amendment from the Bill which originated from the late Sir V. Bashyam Ayyangar, called “ A Bill to provide for the succession of a sister and certain other relatives under the Hindu Law.” In that Bill the sister's son is defined to include a son by adoption, provided such adoption was made with the consent of the sister during her life time. The safeguard that the adoption should have been made during the lifetime of the sister was provided to remove any difficulty if any dispute should arise. After the death of the sister, there may be cases in which misunderstandings arise between a man and his sister's husband. If the sister should have died without a son, it is quite possible that the sister's husband may, to spite his wife's brother and to harass him, make an adoption setting up a false consent from the deceased sister. The sister having died, it will be difficult to disprove consent. But if the adoption itself should be made during the lifetime of the sister, this difficulty will not arise. When you are making the adopted son of a sister, or rather of the sister's husband as an

heir, I submit the safeguard suggested by me that the adoption should have been made during the lifetime of the sister is absolutely necessary.

Mr. President: Amendment moved:

"In clause 2(c) after the word 'sister' the words 'during her lifetime,' be inserted."

The motion was adopted.

Mr. President: The question is that clause 2, as amended, stand part of the Bill.

The motion was adopted.

Mr. President: The question is that clause 3, as amended by the Select Committee, stand part of the Bill.

The motion was adopted.

Mr. M. G. M. Ayyangar: Sir, I move that:

"To clause 4 the following new sub-clause be added:

'(c) enable more than one of several son's daughters, daughter's daughters, sister or sister's sons to succeed by inheritance to the estate of a deceased Hindu male which by a customary or other rule of succession descends to a single heir'."

This amendment also I have got entirely from Sir V. Bashyam Ayyangar's Bill. This amendment is to provide for cases in which, according to the custom in some families, and in some zemindaris, properties descend only to a single individual. There are some zemindaris which are impartible properties under the Madras Impartible Estates Act. In the case of these zemindaris and families, it is only the eldest of the heirs that succeeds. The others have no share in the property. The Bill as it is drafted does not provide for such cases, but would allow more than one of the heirs now provided by this Bill to inherit such impartible zemindaris with the result that they may be partitioned between them. This is exactly what the Impartible Estates Act provides against. It is only to remedy this defect that my amendment desires that in the case in which by a customary or other rule of succession property descends only to a single heir, no more than one of the heirs now brought by the Bill shall succeed. This amendment also I have borrowed from the late Sir V. Bashyam Ayyangar's Bill.

Mr. T. V. Seshagiri Ayyar: May I say a word, Sir? I am not opposed to the amendment, but I think it is unnecessary to make it clearer, I would suggest that the language be different, I would make the clause read "affect any special law, and any family or local custom having the force of law." That would make it all right. In my section 4 I intended to provide for the inheritance of heirs to zemindaris. Generally as regards this class of heirs, the Privy Council have laid down that it is the family law that applies, therefore they should be excluded from the operation of the ordinary law; but if my friend wants that the provisions of the Impartible Estates Act should be saved, the proper way of doing it would be by inserting the words in clause (a)—"affect any special and/or Local law and any family or local custom having the force of law."

Mr. M. G. M. Ayyangar: My amendment would read much better than that.

Mr. T. V. Seshagiri Ayyar: I have no objection to the principle being extended, but I believe that I have provided for it in clause (a). I believe that the words I have suggested would make it all right. But I have no objection to the amendment, Sir.

The amendment was adopted.

Clause 4, as amended, was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble, as amended by the Select Committee, were added.

Mr. T. V. Seshagiri Ayyar: Sir, I move that the Bill, as amended, be passed into law.

The motion was adopted.

The Assembly then adjourned for Lunch till Twenty Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes to Three of the Clock. Mr. President was in the Chair.

THE CODE OF CIVIL PROCEDURE (AMENDMENT) BILL.

Lala Girdharilal Agarwala (Agra Division: Non-Muhammadian Rural): Sir, I beg to move:

"That the Bill further to amend the Code of Civil Procedure, 1908, be referred to a Select Committee consisting of the Honourable the Home Member, Mr. T. V. Seshagiri Ayyar, Bhair Man Singh, Sardar Gajjan Singh, Chaudhri Shahab-ud-Din, Rao Bahadur T. Rangachariar, Mr. B. Venkataswamidraju, Maulvi Abul Kasem, and myself."

Sir, my Bill is a very short one and I have spoken more than once about it in this House and I don't think I need say anything more than that it is to the effect that the privilege of appearing without a vakalatnama or power-of-attorney which is at present enjoyed by Barristers and Advocates only may be extended to Vakils.

The motion was adopted.

THE CHARITABLE AND RELIGIOUS TRUSTS (AMENDMENT) BILL.

Mr. M. G. M. Ayyangar (Madura and Ramnad cum Tinnevely: Non-Muhammadian Rural): Sir, I beg to move:

"That the Bill to amend the Charitable and Religious Trusts Act, 1920, be taken into consideration."

Honourable Members will notice that this is a very small and non-contentious measure. The object of Act XIV of 1920, the Religious and Charitable

Trusts Act, was to provide for a speedy and cheap remedy by which the assistance of the Court may be had both by the trustees and by the persons interested in the trust. The trustees may seek the assistance of the Court for advice in matters connected with the trust, and the persons interested in the trust may seek the assistance of the Court for a direction to the trustee for the rendering of the account of the trust for a period of 3 years. All these may be done under the Act by means of an application to the Court and not by the institution of a suit which means in these days enormous delay and spending of money. It is to avoid this, that the Act XIV of 1920 was passed. But that Act has got one defect, namely, that in the mofussil it gives jurisdiction only to District Courts to entertain and hear applications under the Act. It was only the other day the Honourable the Home Member and the Honourable Mr. Percival told us the large volume of work Sessions, criminal appeals and other miscellaneous work that these District and Sessions Judges have got to do. They scarcely find time to take up civil work and the result is that these applications might be pending for a long time. This was exactly the thing which the original Act wanted to remedy. Honourable Members will see that my short Bill wants that jurisdiction under the Act may also be given to subordinate courts so that such applications may have a speedy disposal at a less cost.

The motion was adopted.

Clauses 1 and 2 were added to the Bill.

The Title and Preamble were added to the Bill.

Mr. M. G. M. Ayyangar: Sir, I move that the Bill be passed.

The motion was adopted.

THE ILLEGITIMATE SONS' RIGHTS BILL.

M. K. Reddi Garu (South Arcot cum Chingleput: Non-Muhammadan Rural): Sir, I move:

"That the Bill to amend the Hindu Law of Succession be referred to a Select Committee consisting of the Honourable the Home Member, Mr. A. B. Latthe, Mr. K. C. Neogy, Mr. B. Venkatapatiraju, Mr. T. V. Seshagiri Ayyar, Munshi Iswar Saran, Maulvi Abul Kasem, Mr. N. M. Samarth, and the Mover."

Sir, the Bill has been long before the public and it has been circulated for opinion. We have received about 49 opinions of which nearly 26 are in favour of the Bill, 10 are neutral, and only 13 are against it. I introduced the Bill more as a piece of social legislation, and I leave the legal point of view to the Honourable Members who are better fitted to deal with the legal aspect of the question.

The motion was adopted.

Mr. B. O. Allen (Assam: Nominated Official): May I speak on this motion, Sir?

Mr. President: The motion has just been carried, and has carried with it the Honourable Member's right of speech.

THE LEGAL PRACTITIONERS (AMENDMENT) BILL.

Mr. K. O. Neogy (Dacca Division: Non-Muhammadian Rural): Sir, I beg to move:

"That the Bill further to amend the Legal Practitioners Act, 1879, be referred to a Select Committee consisting of the Honourable the Home Member, Rao Bahadur T. Rangachariar, Mr. T. V. Seshagiri Ayyar, Mr. N. M. Samarth, Mr. A. B. Latthe, Sir D. P. Sarvadhikary, Mr. J. Chaudhuri, Mr. K. Ahmed, Mr. J. N. Mukherjee, Maulvi Abul Kasem, Dr. H. S. Gour, Munshi Iswar Saran, Mr. P. P. Ginwala, Chaudhri Shahab-ud-Din, Bhai Man Singh, Rai Sahib Lakshmi Narayan Lal, Rai Bahadur Pandit Jawahar Lal Bhargava, and the Mover."

Sir, this Bill was introduced on the 12th of September in Simla and it forms part of a wider scheme about the formation of an independent Indian Bar. These questions have been before the public for sometime, and the opinions that have been elicited are on the whole favourable to the underlying principle of my Bill. I therefore move this motion.

The motion was adopted.

THE INDIAN EVIDENCE (AMENDMENT) BILL.

Lala Girdharilal Agarwala (Agra Division: Non-Muhammadian Rural): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Evidence Act, 1872.

The Bill will show that the amendment which I propose to make is a very short one and it is based upon a ruling of the Allahabad High Court. The Evidence Act defines primary and secondary evidence and in the definition of secondary evidence it is laid down that a person who has seen a document can be a competent witness. Now, the Allahabad High Court has ruled in the case of *Gihure versus Chattrapal Singh*, in which I had the honour to appear, that "seen" does not mean a person who has seen as one would look at a toy but a person who has seen with mind's eye. So, I want to substitute the word "read" for the word "seen."

The motion was adopted.

Lala Girdharilal Agarwala: Sir, I beg to introduce the Bill.

THE INDIAN LIMITATION (AMENDMENT) BILL.

Lala Girdharilal Agarwala (Agra Division: Non-Muhammadian Rural): I move for leave to introduce a Bill further to amend the Indian Limitation Act, 1908. The Indian Limitation Act, as it stands at present with respect to section 19, is in accordance with the old English law and not in accordance with the present English law. There are other matters which are always the subject of great discussion. It is for this reason that I beg to move for leave to introduce this Bill in order to correct those errors and that the law may develop. The present doctrine in England as to the theory of acknowledgment is that an acknowledgment to be effectual must amount to a fresh promise to pay. The old theory which has been exploded forms the basis of our present law. Hence I move for leave to introduce this Bill.

The motion was adopted.

Lala Girdharilal Agarwala: I introduce the Bill.

THE PREVENTION OF DEFERRED REBATES BILL.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): The Bill which I seek leave to introduce is one of great importance to the development of the mercantile marine in this country. There are two principal matters mentioned in the Bill. One is as regards what is known as the deferred rebates and the second is as regards the fixing of maximum and minimum rates. As regards the deferred rebates question there is no doubt that it would hamper Indian enterprise if companies of long established reputation offer rebates in the way in which they are doing. There was a Royal Commission appointed in England in 1908 to consider this question, and although it was only by majority that the Commission came to the conclusion that the rebate system should be continued. Recently when the Imperial Shipping Committee had to deal with the subject, though they admitted the evils of the rebate system, they recommended that the shippers should be given the option of an agreement also. I may mention in this connection that the Indian shippers who gave evidence before the Imperial Shipping Committee unanimously—I am speaking of a large number of Europeans also—the Indian shippers unanimously gave evidence to the effect that the rebate system should be done away with; that is my reason for including the subject so far as the first portion of my Bill is concerned. As regards the fixing of maximum and minimum rates, a rate war went on in this country for a long time; I can give instances of one or two companies having come to grief by well-established companies charging a low rate for the time being in order to crush out the Indian enterprise; after the enterprise was thus crushed out they went back to the old rates. The Deck Passengers' Committee recommended that a minimum rate should be fixed, and that is the second subject which I have introduced into this Bill. I may say that my Bill is based largely upon similar enactments in the United States and other countries. Therefore I ask the House to give me leave to introduce the Bill.

Mr. President: The question is:

"That leave be given to introduce a Bill to provide for the prevention of deferred rebates and for the prevention of rate wars and resort to retaliatory or discriminating practices in the Coastal traffic of India."

The motion was adopted.

Mr. T. V. Seshagiri Ayyar: I introduce the Bill, Sir. I now move:

"That the Bill be circulated for the purpose of eliciting opinion thereon."

The Bill has been in the hands of Honourable Members for some time. As a matter of fact, even before they had the Bill as printed, I sent them a copy and I sent a letter to them explaining the reasons why this Bill should be introduced. I move that the Bill be circulated for the purpose of eliciting opinion thereon.

The motion was adopted.

THE INTEREST ACT (AMENDMENT) BILL.

Khan Sahib Maulvi Abdul Quadir (Central Provinces: Nominated Non-Official): Sir, the measure to introduce which I am asking leave of this Honourable House is a very simple and a modest one. It consists of two sections only and refers to the amount of interest recoverable at the date

[Khan Sahib Maulvi Abdul Quadir.]

of the suit. It provides that no creditor of a secured or unsecured loan should be entitled to recover interest in excess of the principal amount due at the date of the suit. I tried to introduce this measure last year in this House but it was a pity that it was thrown out both by the Government and by the Members of this Honourable House and I did not get permission to introduce the same. In spite of my previous failure, I am again trying to introduce it because I have got a real grievance and I am fully conscious that if this grievance is not redressed during the régime of this Honourable House, there is no chance of its being redressed at all or at any rate in the near future. This is the chief reason why I am troubling this Honourable House over again. If the House will kindly bear with me for a few minutes, I will place my grievance before it. The House will be surprised to hear that in Berar and Bombay Presidency if a Hindu creditor sues a non-Hindu debtor to recover say Rs. 1,000 as principal and Rs. 4,000 as interest, he is allowed by the Courts of Justice a decree for Rs. 5,000 in full. But if a non-Hindu creditor sues a Hindu debtor under exactly similar circumstances and conditions the Courts of Justice do not give him a decree against his Hindu debtor for a single pie more than Rs. 2,000. Now, I am not exaggerating facts. I am telling actually what is happening in these provinces every day. My friend, the Honourable Mr. Jatkar, will bear me out in every word I have uttered in this respect. The Honourable Colonel Sir Henry Stanyon and the Honourable Mr. Rustonji Faridoonji, Members of this Honourable House, are also fully aware of the anomalous state of affairs prevailing under the name of the rule of *Damdapat*. Now, I leave it to the Honourable House to judge it for themselves as to whether the grievance I am complaining of is a real one or a creation of my own imagination and whether this Honourable House should or should not redress it. The Provincial Governments cannot do anything in matters of this nature. They cannot amend Dharam Shastras and make the principle of *Damdapat* applicable to Hindus and non-Hindus of the province alike and remove the invidious distinction at present existing. Those who profess Hindu religion are with the exception of a few against such a change being effected. Consequently there is no alternative left open for this Honourable House but to amend the Interest Act as I have ventured to suggest in order to bring justice to those who are subjected to most unjust and iniquitous treatment in the above stated provinces. If the Government and the Members of this Honourable House can remove this iniquity and bring relief to the suffering non-Hindus by any other means than this, so much the better. They are welcome to do so but I am afraid they cannot. The amendment sought for by me is bound, as given in the Statement of Objects and Reasons, to result in immense good to the public in general of the whole of India but if the House thinks otherwise they may make a provision in the amending Act giving option to the Provincial Governments to apply to their respective provinces by notification in their Provincial Gazettes if they considered it beneficial. Otherwise not. The Usurious Loans Act, X of 1918, has been on the Statute Book for the last five years, but it has failed to bring relief to the non-Hindus of Berar and Bombay in this respect. Besides this, the Act gives discretion to the Judge to go through the past account books and readjustments in cases in which he thinks it necessary to do so. Thus the using of this discretion is an arbitrary thing depending upon the choice of the particular judge deciding the case. In *Damdapat* cases no question of using such a discretion arises, but in the majority of other cases they do not use such power at all, while in some cases in which it

is exercised there is no uniformity of decisions, because two different judges under exactly similar circumstances may come to two different conclusions regarding the rate and the amount of interest to be allowed to the creditor.

As a matter of fact, so far as the administration of justice in Berar is concerned it is the duty of the Government of India to see that justice is done equally to all classes of people in the province which they retain in their hands specially for administering better justice. They should not allow one section of the people to suffer at the hands of another section as is done at present. This sort of unequal justice was not meted out to the different sections of his subjects by His Exalted Highness the Nizam before the province was taken over by the Government of India for purposes of better administration.

I appeal to Government Members and to other Members of this House to kindly take a sympathetic view of what I have brought to their notice and allow permission for introducing the Bill instead of throwing it out summarily as they did last year. My Bill is altogether different in principle from the Bill of Mr. Yamin Khan.

With these words, Sir, I move for leave to introduce a Bill to amend the Interest Act, 1839.

Mr. P. B. Haigh (Bombay: Nominated Official): Sir, I desire formally to oppose the motion for leave to introduce this Bill. As the Honourable Member who has brought forward this motion has reminded the House, the Bill was before the House a year ago and leave to introduce it was refused after a speech by the then Home Member. And in the course of the present Session the House has had before it a Bill one of whose provisions was very closely allied to the provision which is contained in the Bill which the Honourable Member now seeks leave to introduce. I do not think it necessary, Sir, therefore, to repeat at length all the arguments which Government have already brought forward against this principle of *Damdupal*. Government still adhere to the view that a prescription of law universally applying, what is known as the rule of *Damdupal*, is not desirable and they are not prepared therefore to accept the motion made by the Honourable Member. Government are still of opinion that a better remedy is provided in Act X of 1918—an Act to give additional powers to courts to deal in certain cases with usurious loans in money or in kind. On the other hand, Sir, I desire to make it quite clear to the House and to the Honourable Member that Government do realize the immense importance of this question and they do not want it to be supposed for a moment that they desire to close the discussion altogether without any further inquiry. Government are prepared to make a full inquiry into the working of Act No. X of 1918 and into the questions raised by the Honourable Member; but instead of supporting his Bill, to which they cannot consistently lend support, they would prefer on the conclusion of their inquiries if the necessity is made apparent, to introduce a Bill of their own. I desire, therefore, to assure the Honourable Member that Government will cause the fullest inquiry to be made into the grievances which he has alleged to exist, and I trust, Sir, that on that assurance the Honourable Member will withdraw this motion and leave it to Government to undertake such further steps in the matter as may appear necessary and advisable on the conclusion of their inquiry.

Mr. W. M. Hussanally: Then, why not allow it to be introduced and circulate it for eliciting opinion?

Khan Sahib Maulvi Abdul Quadir: In view of the assurance given by the Honourable Member, I beg to withdraw my motion.

The motion (for leave to introduce a Bill to amend the Interest Act, 1839) was, by leave of the Assembly, withdrawn.

THE GENERAL CLAUSES (AMENDMENT) BILL.

Lala Girdharilal Agarwala (Agra Division: Non-Muhammadan Rural): Sir, I beg to move for leave to introduce a Bill further to amend the General Clauses Act, 1897.

Sir, the present General Clauses Act, which is Act X of 1897, was passed so many years ago. The earlier Acts were Act I of 1868, and Act I of 1887. Act X of 1897 was passed as a sort of consolidating Act. Now, the present Bill deals only with a very small matter, but yet a very important matter, namely, the definition of the legal term 'sign.' In days gone by when the thumb impression system was unknown to scientists the mere mark of an illiterate person whether made by himself or by any other person was considered sufficient. In the present times we have got an elaborate system of thumb impressions which can be easily identified, and I know in cases in which I had personally had the honour of appearing, even persons have been sentenced to death on the evidence afforded by thumb impressions. But we find neither in our Law of Evidence nor in the General Clauses Act, thumb impressions find a place. The main object of my introducing this present measure is to give legality to thumb impressions. I have taken the opportunity of introducing another matter, namely, to safeguard the signatories who are illiterate or half-literate by the affixation of signature of an attesting witness to any such signature of an illiterate or half-literate person, who should certify that he personally knew the person was signing and that the person so signing understood the contents of the document which he was signing. Of course I am not wedded to the details of the Bill but that is the main idea underlying my Bill. With these few words I move the motion which is put in my name.

Mr. President: The question is that leave be given to introduce a Bill further to amend the General Clauses Act, 1897.

The motion was adopted.

Lala Girdharilal Agarwala: Sir, I introduce the Bill.

Mr. P. B. Haigh: Do I understand, Sir, that it is too late for me to speak on the subject?

Mr. President: Yes, I am afraid it is.

ATTITUDE OF GOVERNMENT RE CERTAIN BILLS INTRODUCED BY NON-OFFICIAL MEMBERS.

The Honourable Sir Malcolm Hailey (Home Member): Sir, I hope you will allow me to make a short statement, necessitated by the unfortunate fact that I was called away from the House on very urgent business and was unable to be present when certain of these measures were brought before it. As the House knows, Members of Government are at times liable to be called away at short notice on work which will not brook delay.

and they are not, therefore, always able in consequence to discharge their duties in the Legislature. This was a case in point, and I think it only therefore proper that I should be allowed to enter a caveat on the part of Government in regard to its attitude with regard to certain of these measures. I do that in order that it may not be assumed that because we made no opposition to some of these measures that we have thereby necessarily assented to them in principle or in detail. If that were assumed, it might cause disappointment to their promoters, and it is in fairness to them that I am bound to say that if it had not been for the unfortunate accident which called me away, I should have opposed certain of these measures. That refers in particular to Lala Girdharilal Agarwala's Bill as No. 12 (a) on the list to amend the Code of Civil Procedure, also in part at all events to No. 16 (b) Mr. Neogy's Bill on the Legal Practitioners Act. It refers also to Lala Girdharilal's Bill No. 17 (c). It refers to Mr. Seshagiri Ayyar's Bill. I only wish to state that when these measures come before us, we may in some cases have to oppose them and in some cases for material modifications.

Seshagiri Ayyar: May I say a word, Sir, as regards those who have introduced Bills including myself? I do not believe it is honourable the Leader of the House intended to say that he carried these Bills through. It is very unfortunate that friends of the Government Benches were unable to be present. I myself was prevented from going to Mr. Innes being here and to say something against my Bill, and when I found that nobody spoke against it, I looked about and it was said that the Bill be carried. I think my friends understand that Government is not committed to anything in connection with these Bills and when the Bill comes up again before this Assembly, the Government could explain their position and consider the whole question afresh. We do not understand that Government have in any way committed themselves.

The Honourable Sir Malcolm Halley: Sir, I am very much obliged to Mr. Seshagiri Ayyar for what he has said. He understands and appreciates the difficulties which sometimes occur in our work. Mr. Innes, of course, has partaken on this occasion of the same misfortune as myself.

The Assembly then adjourned till Eleven of the Clock on Monday, the 2nd July, 1923.

(a) 12. *Lala Girdharilal Agarwala* to move that the Bill further to amend the Code of Civil Procedure, 1908, be referred to a Select Committee consisting of the Honourable the Home Member, Mr. T. V. Seshagiri Ayyar, Bhai Man Singh, Sardar Gajjan Singh, Chaudhri Shahab-ud-Din, Rao Bahadur T. Rangachariar, Mr. B. Venkatapatiraju, Maulvi Abul Kasem, and the Mover.

(b) 16. *Mr. K. C. Neogy* to move that the Bill further to amend the Legal Practitioners Act, 1879, be referred to a Select Committee consisting of the Honourable the Home Member, Rao Bahadur T. Rangachariar, Mr. T. V. Seshagiri Ayyar, Mr. N. M. Samarth, Mr. A. B. Latthe, Sir D. P. Sarvadhikary, Mr. J. Chaudhuri, Mr. K. Ahmed, Mr. J. N. Mukherjee, Mr. Abul Kasem, Dr. H. S. Gour, Munshi Iswar Saran, Mr. P. P. Ginwala, Chaudhri Shahab-ud-Din, Bhai Man Singh, Rai Sahib Lakshmi Narayan Lal, Rai Bahadur Pandit Jawahar Lal Bhargava, and the Mover.

(c) 17. *Lala Girdharilal Agarwala* to move for leave to introduce a Bill further to amend the Indian Evidence Act, 1872.

(d) 23. *Mr. T. V. Seshagiri Ayyar* to move for leave to introduce a Bill to provide for the prevention of deferred rebates and for the prevention of rate wars and resort to retaliatory or discriminating practices in the Coastal traffic of India.

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